U.S. Department of State
FY 2000 Country Commercial Guide: Costa Rica

The Country Commercial Guides for Costa Rica was prepared by U.S. Embassy San Jose and released by the Bureau of Economic and Business in July 1999 for Fiscal Year 2000.

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CHAPTER I. EXECUTIVE SUMMARY

This Country Commercial Guide (CCG) presents a comprehensive look at Costa Rica’s commercial environment, using economic, political and market analysis. The CCGs were established by recommendation of the Trade Promotion Coordinating Committee (TPCC), a multi-agency task force, to consolidate various reporting documents prepared for the U.S. business community. Country Commercial Guides are prepared annually at U.S. Embassies through the combined efforts of several U.S. Government agencies.

The Republic of Costa Rica is roughly the size of West Virginia (19,575 square miles), with an estimated population of more than 3.5 million people. The literacy rate is over 94 percent. Historically known as an agricultural nation, Costa Rica has become an attractive location for investments by foreign high-technology companies because of the relatively well-educated and productive work force. The 1998 opening of Intel Corporation's US$ 200 million microprocessor finishing and testing facility was an important milestone in this transition. Thanks to its agreeable climate, political stability, and hospitable atmosphere, the country is also home to over 25,000 resident U.S. expatriates.

Costa Rica has a strong tradition of democratic government and demilitarization. In the February 1998 national elections, Miguel Angel Rodriguez of the Social Christian Unity Party (PUSC) narrowly won the Presidency over his National Liberation Party (PLN) rival, Jose Miguel Corrales. The PUSC won 27 of 57 seats in the Legislative Assembly.

During the past few years, successive governments have begun the progress of liberalizing economic sectors traditionally reserved for the public sector. The current administration has expressed considerable public interest in engaging private capital and expertise in sectors that have been reserved for the State, such as telecommunications, energy, insurance, ports, railroads, airports and prisons. To accomplish this, it is pursuing innovative mechanisms for granting concessions to build and manage public works. A consortium led by a U.S. firm recently won the concession to manage San Jose's international airport. On the larger issue of privatization, however, there is still considerable opposition within the population and in the legislature.

During 1998, the economy grew 6.2 percent, well above the 3.7 percent growth of 1997. Inflation was 12.4 percent in 1998 compared to 11.2 percent in 1997 and 13.9 percent in 1996. Unemployment fell to 5.6 percent in 1997 from 5.7 percent a year earlier as continued growth led to more job creation. Among the government's principal challenges are controlling the public sector deficit and managing the accumulated public debt, most of which is financed domestically.

The balance of payments picture improved significantly during 1998, helped by solid growth in nontraditional exports and tourism receipts. At about 1.2 billion dollars, international reserves are at record levels, but the continuing pattern of substantial current account deficits financed by investment capital inflows may not be sustainable.

Costa Rica's relatively generous worker benefits programs have made the country less attractive than others in the region for investors seeking cheap, unskilled labor. However, Costa Rica continues to attract those seeking a skilled, well-educated, and highly productive work force. Growth is accelerating in such areas as electronics assembly (Intel), health care equipment (Abbott Laboratories) and regional management centers (Procter and Gamble). The Costa Rican government estimates that new foreign direct investment in Costa Rica was US$ 530 million in 1998. About 85 U.S. Fortune 500 companies operate in Costa Rica, many of which established operations ten to twenty-five years ago.

With the exception of State-owned monopolies in some critical services, and certain deficiencies in the intellectual property regime, no significant barriers exist regarding investment in Costa Rica.

Country Commercial Guides are available for U.S. exporters from the National Trade Data Bank's CD-ROM or via the Internet. Please contact Stat-USA at 1-800-STAT-USA for more information. Country Commercial Guides can be accessed via the World Wide Web at http://www.stat-usa.gov; http://www.state.gov/; and http://www.mac.doc.gov. They can also be ordered in hard copy or on diskette from the National Technical Information Service (NTIS) at 1-800-553-NTIS. U.S. exporters seeking general export information/assistance and country-specific commercial information should contact the U.S. Department of Commerce, Trade Information Center by phone at 1-800-USA-TRADE or by fax at (202) 482-4473.

CHAPTER II: ECONOMIC TRENDS AND OUTLOOK

A. MAJOR TRENDS AND OUTLOOK

In 1998, Costa Rica's Gross Domestic Product (GDP) grew 6.2 percent, substantially surpassing all predictions, as a consequence of continuing expansion of the tourist and export trade and robust new investment activity. This followed 3.7 percent growth in 1997 and a contraction in 1996 when the economy reacted to a macroeconomic adjustment program of reduced public sector spending and higher taxes.

Inaugurated in May 1998, President Miguel Angel Rodriguez and his new administration are consolidating the policies and achievements of the second half of the Figueres

Administration. Indeed, while the two administrations come from political parties that have long opposed one another, the 1998 transition was marked by close cooperation between outgoing and incoming officials and by an essential continuity of economic policies. The challenges ahead are substantial. Chief among these are containing chronic current account and public sector deficits and finding investment capital for investment in infrastructure maintenance and improvements.

On the external front, impressive growth in export revenues, due in large measure to exports by Intel Corporation, brought the merchandise trade balance into surplus during the first months of 1999. These were the first monthly surpluses in decades. With tourist revenues continuing to grow strongly, prospects for significantly improved external accounts appear bright. Nevertheless, a lowering of interest rates will likely increase demand for imports and may encourage capital outflows during the second half of the year.

The public sector deficit has defied efforts to contain it through fiscal belt-tightening. The deficit of the public sector as a whole declined to 2.6 percent of GDP in 1998, compared to 3.3 percent the year before, but early projections for 1999 indicated a substantial deterioration for the year, caused principally by weak tax collections. The cost of servicing the public sector debt, financed mostly in the domestic capital market, consumed 31 percent of central government revenues in 1997, fell to 26 percent in 1998, but has risen again in 1999. This drain on revenues has limited the government's ability to maintain and modernize the country's communications and transportation infrastructure. The Rodriguez Administration initially proposed selling state monopolies to finance a substantial reduction of the stock of debt outstanding and the bill for servicing that debt. However, it has so far been unable to achieve a political consensus on the appropriate roles of the public and private sectors in fields such as telecommunications, energy, and insurance.

The minimum wage payable in different sectors of the economy is normally adjusted every six months during tripartite negotiations among the government, labor and business representatives. In recent years, wages have generally followed closely increases in the consumer price index. Minimum monthly wages established for the second half of 1999, at the July 1 exchange rate, are as follows:

Category	Wage
Unskilled Worker	US$ 231
Semi-Skilled Worker	251
Skilled Worker	269

Technician, High School Diploma	290
Specialized Worker	310
Technician, Tertiary Studies	357
Bachelor Degree	438
Licentiate Degree	525

These rates will depreciate with the exchange rate until the next six-month rate is established.

Consumer prices increased 12.4 percent in 1998, after increases of 11.2 percent in 1997 and 13.9 percent in 1996. The consumer price index is expected to rise approximately 10 to 12 percent during 1999.

Open unemployment fell to 5.6 percent of the labor force in 1998, slightly lower than the year before. Legal and illegal immigration from neighboring countries to Costa Rica continues, with much of the illegal immigration being absorbed, seasonally, by the agricultural sector. Unemployment statistics are based upon a household census taken in July of each year. A gradual shift into more skilled occupations is taking place as labor demand increases in high-technology industries, such as electronics, as well as in tourism and other services. Technical education to accommodate this shift has been a priority of this government and of its predecessor. With the government's encouragement, Intel has made arrangements with the Costa Rican Technological Institute (ITCR) to train workers in skills required for its hiring demands, projected at as many as 2,000 additional workers over the next five years.

B. PRINCIPAL GROWTH SECTORS

As salary and benefit levels are lower in other Central American and Caribbean countries, Costa Rica has become less attractive than some of its neighbors for investors looking for low-cost, unskilled labor. However, Costa Rica is successfully attracting investors seeking a more skilled, well-educated, and productive work force. Foreign companies present in Costa Rica often cite the country's political stability, central location within the hemisphere, absence of capital controls, and pleasant living conditions as additional factors for their decision to invest. Attractive living conditions have also contributed to the presence of over 25,000 U.S. citizen residents and growing numbers of tourists. Thus, while growth in the low-wage apparel industry has stagnated in recent years, it is robust in industries such as electronics assembly, health care products, upscale tourism, and regional management or service centers for multinational corporations.

New foreign direct investment in Costa Rica was estimated at US$ 530 million in 1998. This compares to US$ 483 million in 1997 and US$ 427 million in 1996. Of the 1997 amount, US$ 200 million was invested by Intel, which is considering significant additional investments in coming years. A number of other important technology-dependent firms have manufacturing operations in Costa Rica, including Baxter Healthcare, Sylvania, Conair, Alcoa Closure Systems, Protec and DSC Communications (recently purchased by Alcatel). Abbott Laboratories and Procter and Gamble have announced plans for major new investments in health products and a regional management center, respectively.

Costa Rica’s growing industrial base generated 24 percent of GDP in 1998, compared with agriculture, which now represents only 17 percent of GDP. Several chambers of commerce and trade associations support commercial activity in all sectors. About 85 U.S. Fortune 500 companies operate in Costa Rica, many of which established operations ten to twenty-five years ago. The dynamic and politically active Costa Rican-American Chamber of Commerce (AmCham) has over 900 individual and over 300 corporate members.

With the exception of State-owned monopolies in some essential services (telecommunications, electricity, insurance, and petroleum refining and distribution to the retail level), and certain deficiencies in the intellectual property regime (to be addressed by new legislation before the end of 1999), no significant barriers exist regarding investment in Costa Rica. However, investment disputes arise occasionally, and the engagement of a reliable attorney is strongly encouraged before investing and/or doing business in Costa Rica. For example, some U.S. citizens have encountered considerable difficulty obtaining clear title to land, receiving adequate compensation for expropriated land, or evicting sometimes-hostile squatters from their property. In November 1997, a U.S. citizen died during a confrontation over land with squatters in Pavones, near Golfito in southeastern Costa Rica. Earlier in 1997, a U.S. Court dismissed a suit from another investment dispute regarding a cellular telephone concession earlier held by Millicom, ruling that the court had no jurisdiction. Millicom had sought to operate in Costa Rica, but telecommunications workers successfully challenged the company's contract to operate in the monopolized market on constitutional grounds.

C. GOVERNMENT ROLE IN THE ECONOMY (BUDGET PRIORITIES, PRIVATIZATION)

The Government's flexibility to determine the monetary policy of the Central Bank and fiscal policies of public sector institutions is increasingly constrained by the domestic public sector debt, itself the result of years of accumulated public sector deficits. Nevertheless, the Rodriguez Administration has made education and public security its top priorities. Lacking a military, Costa Rica does not have a military budget. In 1998, the central government's fiscal deficit, equivalent to 3.3 percent of GDP, was financed in part by the profits of state-owned enterprises that purchased new government bonds. This arrangement strips state enterprises of capital that could be invested in their own expansion without providing enough to meet central government priorities. The results can be seen in the country's roads, bridges, ports, airports, electrical generation plants, hospitals and schools. Absent the public or legislative will to permit outright privatization of public utilities and infrastructure, the Rodriguez administration, like its predecessor, has been seeking innovative ways to engage private capital in public works through the new concessions law or through more complicated legal processes using older laws. The government took the latter approach when soliciting bids for a concession to modernize and manage the country's principal airport for a twenty-year period. That concession was awarded in July 1999 to a consortium led by the U.S. company Airport Group International, whose investors include Lockheed Martin, the Soros Group, GE Capital Corporation and Bechtel Enterprises. Appeals by losing bidders are pending in the courts and at the Controller General's office.

The Congress approved a new public concession law early in 1998 to permit private sector investment in, and management of, public infrastructure projects. However, the applicability of the law is limited in important areas such as the ports, energy and telecommunications.

The Legislative Assembly is considering legal amendments to permit the restructuring of the State-owned telephone and electricity monopoly (ICE) which, if enacted, could significantly expand possibilities for establishing joint ventures in the telecommunications and energy sectors. Less progress has been made in efforts to open the insurance sector to private competition, but the initiative remains alive. The Costa Rican Government encourages development of renewable energy sources (water, wind, solar, thermal, biomass) and is seeking to expand opportunities for private participation in renewable energy generation. It also allows foreign firms to participate in the creation and maintenance of "carbon sinks" in Costa Rica, to offset greenhouse gas emissions produced in the U.S. and other developed countries.

D. BALANCE OF PAYMENTS SITUATION

The merchandise trade deficit was US$ 678 million in 1998, up from US$ 664 million the year before. Exports increased 37.4 percent during 1998, while imports increased 26.6 percent. Nontraditional exports continue to show strong growth and more than offset a weak agricultural performance caused principally by low prices for coffee and bananas. The growth in imports was principally among capital goods and industrial inputs, especially for firms involved in free trade zones and export processing activities. These activities led the growth in merchandise exports, thus their use of imported inputs also rose. 1998 was the first year in which these activities were counted in merchandise trade statistics. Previously, the value added by these companies was treated as an export of services; the goods themselves were considered not to have been imported into, or exported from, Costa Rican customs territory.

Strong growth in tourism revenues, spurred by a sixteen percent increase in tourist arrivals, helped cushion the impact of the merchandise trade deficit. Still, the current account deficit grew from US$ 214.7 million to US$ 280.0 million in 1998. International reserves of the Central Bank were US$ 1,140.4 million at the end of 1997 and US$ 991.3 million a year later. Since then, however, the outlook has improved. During the first months of 1999, Costa Rica enjoyed its first monthly merchandise trade deficits in two or more decades, driven in large amount by the exports of Intel. In addition, the government successfully placed US$ 300 million in 7-10 year bonds with investors overseas. The combined effect helped international reserves reach a US$ 1,462.2 million at the end of June 1999, a record level. There is nevertheless some concern that surpluses will turn to deficit as the year continues, with a lowering of interest rates spurring an increase in imports and outflow of short-term capital.

Costa Rica was the thirty-ninth largest export market of the United States in 1997. The five top U.S. exports to Costa Rica included kraft paper and paperboard, underwear and apparel, cars and other passenger vehicles, corn, polymers, and soybeans.

Costa Rica has substantially diversified its exports beyond traditional products (bananas, coffee, sugar, and beef) with non-traditional products now constituting over 68 percent of exports. The United States remains Costa Rica’s largest export market, with a 49 percent share in 1998. The top six product exports from Costa Rica to the United States include electronic microchips, bananas and plantains, apparel, coffee, and meat. The United States represents a growing market in melons, dates, figs, pineapples, avocados, fish and shrimp products, and ornamental plants. Major exports under the Caribbean Basin Economic Recovery Act, more commonly known as the Caribbean Basin Initiative, include electronic microchips, costume jewelry, telephone circuitry boards, hair dryers, and telecommunications components. According to the United Nation's Economic Commission for Latin America and the Caribbean (ECLAC), Costa Rica per capita export ratio is second only to Chile's in the region.

With some of the world's highest rainfall (59 to 177 inches annually), Costa Rica's richly diverse topography provides opportunities for "eco-tourism." Since 1993, tourism has surpassed banana exports as the nation's largest foreign currency earner (Note: while gross exports of microelectronic components exceeded tourism revenues in 1998, the net foreign currency earnings of the sector - after deducting imported inputs - were substantially less. Value added in Costa Rica is approximately 20 percent of the value of the finished product.)   In 1998, an estimated 900,000 foreign tourists visited Costa Rica, generating US$ 830 million and providing jobs for over 75,000 people.

Given the country's overall affinity for the United States and the sophistication of its consumers, Costa Rica is an excellent market for U.S. products and services. Some of the best opportunities for U.S. exporters exist in the areas of equipment for telecommunications and power generation, restaurants and hotels, construction, healthcare, water resources, recreation, and ports. There is also growing demand for paper products, computer equipment, plastic materials and resins, agricultural chemicals and automotive parts. The best prospects for U.S. agricultural exports to Costa Rica include corn, soybeans, wheat, fresh fruit (apples, grapes, peaches, and pears), processed fruits and vegetables, juices, snack foods and specialty meat products. Commercial endeavors such as franchising and retailing have been very successful due to the nation's recent boom in construction of shopping malls.

E. STATE AND QUALITY OF INFRASTRUCTURE SYSTEMS

Costa Rica can still claim to be the Central American country with the best infrastructure in transportation, energy, telecommunications, health care, and education. Nonetheless, because of cutbacks in public spending in 1996, 1997 and 1998, as well as delays of major infrastructure projects, many of Costa Rica's highways and roads remain in varying degrees of disrepair. The main cargo port on the Pacific coast is seriously inadequate, as are landing and terminal facilities at San Jose’s Juan Santamaria International Airport. Construction underway at the airport, along with the recent award of a concession to upgrade and manage the facility, should lead to substantial improvements within the coming year. Existing installed electrical capacity should satisfy domestic demand into the year 2000, and projects underway will extend the capacity well beyond that year.

The government has announced that essential services such as water, electricity, telecommunications, health care, air traffic control and banking will be ready for the year 2000. In mid-1999, the state-owned power company conducted a successful end-to-end test of the national power grid, according to company officials. The national water company has reportedly also conducted comprehensive tests and is Y2K compliant. As of mid-July, it is unclear whether other essential services have conducted tests, and if so, what the results were. Concerns remain that some essential services will not be fully prepared for the new year. One area of greater concern is the health sector, where both public and private clinics and hospitals lack the resources needed to replace medical equipment with embedded circuitry that does not recognize the year 2000. Some importers and exporters are concerned that Costa Rica’s Customs Service will not be ready in time, despite ongoing efforts to implement a new computerized system before the end of the year. The American Embassy continues to monitor the situation, in consultation with the Costa Rican government and U.S. businesses, and it will disseminate further information on precautions it is taking as the year 2000 approaches.

CHAPTER III. POLITICAL ENVIRONMENT

A. NATURE OF POLITICAL RELATIONSHIP WITH THE UNITED STATES

Bilateral relations between the United States and Costa Rica remain excellent, reflecting shared democratic values and traditions. Although some irritants exist, these differences are relatively minor. Most disputes involve trade (particularly in textiles and bananas), expropriations, and squatters on properties owned by U.S. citizens. The extradition of fugitives has also been an occasionally troublesome issue, though this issue has arisen less since a December 1996 ruling by Costa Rica's Supreme Court reinstated application of the bilateral Extradition Treaty between the United States and Costa Rica.

B. MAJOR POLITICAL ISSUES AFFECTING BUSINESS CLIMATE

Foreign investors generally consider Costa Rica a friendly environment, except for certain sectors specifically reserved for the State. For example, in 1995, the Costa Rican Supreme Court determined that officials had unconstitutionally granted Millicom, a U.S. telephone company, the concession to provide cellular telephone services. Legislative changes to permit greater access to sectors reserved for the state have been proposed by the Rodriguez Administration but remain controversial within the legislature and Costa Rican society as a whole.

Another issue affecting both U.S. and Costa Rican individuals and businesses has been the expropriation of private land by the government without prompt or adequate compensation. Often these cases involve land expropriated to create national parks or indigenous reserves, and some of them date back more than twenty years. However, significant progress has been made in recent years toward resolving many of the outstanding cases, including one submitted to international arbitration. A new expropriation law, enacted in 1995, was designed to help prevent new disputes by explicitly requiring the Government to provide owners with adequate compensation before seizing properties.

A related problem involves the invasion and occupation of private property by squatters, who are often organized and sometimes violent. The squatters seek to take advantage of relatively liberal laws permitting occupants to receive title to unused agrarian land. In some cases, the Costa Rican police and judicial system have failed to deter or to peacefully resolve such invasions. In November 1997, a U.S. citizen and a Costa Rican squatter died during a confrontation over land ownership in Pavones, near Golfito in southeastern Costa Rica.

Costa Rica enjoys trade benefits under the Caribbean Basin Economic Recovery Act, also known as the Caribbean Basin Initiative or CBI. These benefits, along with those granted under the Generalized System of Preferences if it is renewed, are subject to a number of conditions related to respect for worker rights, treatment of American investors, and respect for Intellectual Property Rights.

The American Federation of Labor - Congress of Industrial Organizations (AFL-CIO) withdrew a 1993 petition, earlier accepted by the United States Trade Representative (USTR), after the Costa Rican Government enacted legal reforms that prohibited Solidarity Associations from engaging in collective bargaining. In June 1998, leaders of the Rerum Novarum Workers Confederation wrote to the AFL-CIO complaining about alleged government noncompliance with guarantees regarding freedom of association. Rerum Novarum withdrew the complaint after the Rodriguez administration, which had assumed office a month earlier, asked for a reasonable period to demonstrate its commitment to protection of workers rights. During the past several years, various unions have submitted complaints about unfair labor practices to the International Labor Organization (ILO) which, if not resolved, could lead to submission of another AFL-CIO petition. With respect to intellectual property rights, the International Intellectual Property Alliance and the Pharmaceutical Research and Manufacturers of America have filed petitions with USTR based upon inadequate patent protection for pharmaceutical and agricultural chemical products and piracy of copyrighted material, especially video and audio recordings and computer software. Costa Rica is working on new legislation to address these issues.

C. BRIEF SYNOPSIS OF POLITICAL SYSTEM, SCHEDULE FOR ELECTIONS AND ORIENTATION OF MAJOR POLITICAL PARTIES

The Costa Rican political system is a long-standing, stable Constitutional democracy with a unicameral Legislature directly elected in free, multiparty elections every four years. Miguel Angel Rodriguez of the Social Christian Unity Party (PUSC) won the February 1998 presidential election in which about 70 percent of eligible voters cast ballots. His party gained a plurality in the Legislative Assembly, winning 27 of 57 seats. The National Liberation Party (PLN) won 23 seats, while various minority parties won the remaining seven seats. The next elections for President and the Legislative Assembly will occur in February 2002.

The two major parties are centrist, with the ruling PUSC inclined to the Christian democratic right and the opposition PLN tilted to the moderate Social Democratic left. Party leaders, however, tend to blur these policy and ideological differences. Moreover, Costa Rican emphasis on consensus pushes most governments toward the ideological center. Five minority parties currently hold an important balance in the Assembly, with neither major party enjoying an outright majority.

The Supreme Court has 22 Magistrates divided among four Chambers, including the Constitutional Chamber (Sala IV), whose members decide constitutional issues involving laws and court cases.

The Political Constitution, enacted in November 1949, enshrined the Government's decision in December 1948 to abolish the country's military forces. In 1983, President Luis Alberto Monge proclaimed Costa Rica's permanent neutrality. The Constitution created a powerful independent body, the Supreme Electoral Tribunal (TSE), to oversee elections. The Constitution, as amended in 1969, limits the President to one four-year term. The President may not seek reelection. Deputies may only be reelected after sitting out one term.

CHAPTER IV. MARKETING U.S. PRODUCTS AND SERVICES

A. DISTRIBUTION AND SALES CHANNELS

The Commercial Code of Costa Rica, in its Chapter related to representation of foreign companies (Agents, Distributors, and other forms of representation), states the following:

> All foreign companies may freely do business in Costa Rica through distributors, concessionaires, by proxy or agents and through representatives of foreign companies, excepting agencies and branches of foreign companies whose products are manufactured in our country (Costa Rica) and, as such, may exercise directly and freely the distribution and representation of their lines of products, as well as those of Central American origin, having been duly verified. While the representative may be either a Costa Rican citizen or a resident alien, he/she must have resided in Costa Rica for at least ten continuous years and must have done business in Costa Rica for three years.

To market aggressively, U.S. firms should establish local representation or a local sales office. Although a U.S. firm may export directly to Costa Rican companies, the use of a qualified representative is strongly recommended in order to participate in Costa Rica's government procurement system, as well as to market successfully within the private sector. Because Costa Rica is a small country, most U.S. companies will find that identifying one distributor or representative is sufficient to cover all of Costa Rica.

B. USE OF AGENTS/DISTRIBUTORS: FINDING A PARTNER

Industrial Sectors

The U.S. Department of Commerce, which manages the Commercial Section of the U.S. Embassy in San Jose, offers U.S. companies a range of assistance in identifying potential business partners in Costa Rica. Help is provided by telephone, fax, e-mail, and through direct appointments.

The Commercial Section encourages U.S. firms to first make contact with their nearest U.S. Export Assistance Center (U.S.-based offices of the U.S. Department of Commerce, located in one hundred U.S. cities).

If a U.S. business person is unsure of the location of the nearest U.S. Export Assistance Center, help is available centrally through the Department of Commerce’s Trade Information Center by calling 1-800-USA-TRADE (872-8723). The Trade Information Center can answer basic questions and identify the most convenient U.S. Export Assistance Center for direct help. U.S.-based Department of Commerce Trade Specialists can assist with information about markets worldwide, help in identifying the most promising markets for a given product or service, and work as a partner in developing a marketing strategy consistent with a firm’s objectives and resources. Each U.S. Export Assistance Center has direct access by e-mail with other U.S. Department of Commerce offices worldwide. It also maintains a current data base of market research reports that are keyed to many of the best export prospects in each market overseas.

Among the more popular export marketing services of the Department of Commerce is the Gold Key Service. The Gold Key Service, which is designed to introduce U.S. businesses to potential business partners/representatives and includes a nominal fee, consists of a carefully tailored schedule of pre-screened, pre-arranged appointments with reliable local firms. The Gold Key Service includes an interpreter, as well as a personal market briefing prior to beginning the appointment schedule. This convenient, inexpensive program assists firms in compressing the time frame for identifying local business partners in target markets overseas.

For U.S. firms seeking foreign representation which are not able to travel immediately to Costa Rica, the U.S. Department of Commerce offers the Agent/Distributor Service (ADS). The ADS is initiated through the stateside U.S. Export Assistance Center that is most convenient for the U.S. exporter. The ADS is somewhat similar to the Gold Key Service in that it identifies Costa Rican businesses that are potential local representatives and who have expressed an interest in communicating further with the U.S. business, based on a review of the U.S. firm’s product literature. The results of the ADS search are communicated to the U.S. firm through its nearest U.S. Export Assistance Center. Again, there is a nominal fee to firms for this service.

According to the Costa Rican Commercial Code, when a company breaks an agreement with an agent/distributor, that company must compensate the agent or distributor according to a formula based on the history of sales made or commissions earned by the Costa Rican company. The compensation formula is affected by the terms of any written agreement between the parties; thus, for fairness to all parties, it is important to have a written agreement in place and to have that agreement reviewed, prior to signature, by a competent, qualified attorney familiar with Costa Rican law.

Another recent change in the Costa Rican Commercial Code permits a U.S. company wishing to participate in a public tender the opportunity to do so directly and without a local Costa Rican representative. The only requirement is that the official representing the U.S. company must have a Power of Attorney which must be certified by a Costa Rican Consulate in the United States. However, the process of bidding on public tenders is usually a tedious process, best accomplished through the employment of a qualified Costa Rican representative.

Costa Rican firms wishing to represent U.S. companies may request that they be named the exclusive representative in the market. However, local attorneys familiar with the Costa Rican Commercial Code and the dynamics of this small, competitive market recommend against exclusive representation contracts, retaining for the U.S. firm the right to sell to other representatives/importers in the market.

For the latest changes in Costa Rica's commercial mercantile code, we recommend strongly that U.S. companies employ the services of a qualified Costa Rican attorney. Lists can be obtained from the Commercial Section and from the Consular Section of the Embassy.

Both the Costa Rican Chamber of Commerce and the Costa Rican-American Chamber of Commerce (AmCham) have established International Arbitration Centers for alternative dispute resolution. For contact information for these two chambers, see Chapter XI, Appendix E.

Agricultural Sector

Distribution channels do not vary significantly among the different food products. Some products (e.g., fresh fruits) require technical handling knowledge due to the fact that they are more sensitive to environmental conditions and require refrigerated warehouses.

Imports of consumer foods are made by private firms. There are several wholesalers dedicated to the food import business with distribution of products to supermarkets and to medium and small stores. Some of the larger supermarket chains import directly.

A list of the most important Costa Rican importers of consumer oriented foods can be obtained by contacting the Office of Agricultural Affairs.

The United States is the single most important commercial agricultural partner of Costa Rica due to its geographical proximity, high quality, and wide selection of competitively-priced products.

Costa Rica is negotiating a free trade agreement with Chile, which is expected to be signed by the end of 1999. Although the market access part of the agreement has not been negotiated so far, it is expected that Chilean fruits (fresh and canned), candies, and other food products will receive preferential treatment, resulting in stronger competition for U.S. products.

Because most grains are imported in bulk, the import market is limited to a few major players. There are two wheat mills (Molinos de Costa Rica and Fabrica de Harinas de Centroamerica), which account for all the wheat imports. Two purchasing groups of private sector importers make almost all yellow corn and soybean imports. Rice is generally imported by a group of millers associated under the name Granos Basicos de Centroamerica. During the past two years, however, imports have also been made by independent millers and this year by a supermarket chain as well.

Since December 1994, no import permits (other than phytosanitary and zoosanitary) are required for imports of grains, poultry, meat, dairy products or any other agricultural product, per the terms of Costa Rica’s GATT accession agreement.

As a result of the Uruguay Round Agreements, Costa Rica has implemented tariff-rate quotas for poultry and dairy products, allowing a specific volume of these products to enter the country at a lower tariff. Outside the tariff-rate quota, Costa Rica also reduced the tariff on these sensitive products from 266 percent to 170 percent for poultry and from 106 percent to 96 percent for dairy products. The tariff rate for these products is scheduled to decline to a maximum of 150 percent for poultry and of 65 percent for dairy by 2001.

C. FRANCHISING

The current growth of franchising is slowing as the fast food sector becomes saturated and matures. The first franchise to enter the market was McDonald's in 1970, and others quickly followed. Pizza Hut entered the market in 1972 and now has 36 stores with six mobile units.

Other American pizza franchises have followed but have entered into the market with little success. Because Pizza Hut entered the market first, they were able to develop brand recognition and customer loyalty, giving Pizza Hut a competitive advantage.

Very recently, one local newspaper devoted to business related articles announced the opening of three new fast food franchises (Denny’s, Friday’s and Wendy’s) to start operations this year and in the first months of the year 2000. Denny’s will start operations in September of this year with an investment of US$2.1 million. Their plans are to open five restaurants in a period of seven years. T.G.I. Friday’s will open its first restaurant in early 2000. Wendy’s is in the process of brand registration in Costa Rica and expects to open operation in the year 2000.

Price, as in any market, is a major competitive factor. Costa Ricans are very price conscious and savvy shoppers. They are generally aware of what items cost in the U.S., and how the same or similar items are priced in Costa Rica. While they are willing to pay slightly more for the perceived quality of an American product, they will not pay too much more, as most Costa Ricans are on tight budgets and know value.

A key success factor for franchisers considering entry into the Costa Rican market is careful selection of franchisees. The right franchisee must have the financial resources to enter and develop the market, as well as local business contacts and an understanding of the intricacies of the local market. In Costa Rica, business contacts can greatly affect the success of a project. This can come into play, for example, in developing local sources of supplies, expediting government approval and licensing, and in gaining access to prime locations for establishing a franchise site. One local franchisee claimed, for example, that a competitor was able, through his personal business contacts, to prevent his franchise from entering a major mall for two years.

Another reason for care in selecting franchisees relates to Costa Rican law. Costa Rican Law 6209, which protects distributors and agents, is viewed by the courts as protecting franchisees as well. This law tends to favor the local franchisee and can make it very expensive for a foreign franchiser to end a relationship with a local franchisee for reasons other than nonpayment of royalties.

There are continuing opportunities for growth and expansion of franchising in Costa Rica and the Latin American market. Entrepreneurs here, corporate and individual, appreciate the mature business systems and proven track record that selective franchises offer. Franchise marketing requires sensitivity to the need to adapt to the Latin culture, such as adding local foods to the menu or translating manuals/catalogs into Spanish. Because of Costa Rica's small size, an exclusive territorial contract is often preferred by those marketing franchises, as well as by interested investors. Some successful franchise operations involve investor groups who have purchased master franchise rights for the entire Central American region. Many times a franchisee will own several different types of franchises in different industry sectors as a way to diversify their investments. For example, a businessman may own clothing, fast food, and retail technology franchises.

A new group of investors that is emerging includes young professionals who are very familiar with the U.S. and who are looking to break away from their family businesses in order to start something of their own. They also view franchising as a way to enter into a market without having a great deal of knowledge of an industry. This is why they view quality, dedicated franchiser support as critical to success.

The typical franchisee also does not attend franchise shows. The Internet is the number one source of information for local franchisees on potential new franchises. Potential franchisees will usually analyze the local market themselves, determine what franchise concepts are most attractive for the local market, using their personal knowledge of popular and successful franchises in the U.S. market. They will then typically contact ten or so different franchise companies in that market segment for comparison purposes.

The second most popular way potential franchisees make contact with franchisers is when a particular franchiser comes to Costa Rica looking for investors/franchisees and contacts them directly. Though it is often difficult to identify business people who have the interest, business experience and resources to develop and manage new franchise concepts, the Commercial Section of the U.S. Embassy can assist with introductions and information on tactics used to reach potential franchisees.

The franchise market in Costa Rica is developing at a steady pace, dominated by the fast food sector. There are approximately thirty franchise retail businesses operating in Costa Rica, with nearly half of them fast food/specialty food enterprises. Franchises in Costa Rica employ approximately 4,000 Costa Ricans. It is estimated that less than twenty percent of these franchises are locally-owned, and the remaining eighty percent are foreign-owned (of this percentage, ninety percent are U.S. franchises). Following are the U.S. companies with franchise operations in Costa Rica.

FRANCHISOR	FRANCHISE TYPE
Comp USA	Technology retailer
Century 21	Real Estate
Remax	Real Estate
Cinemark	Movie Theaters
Marriott	Hotel
Aurola Holiday Inn	Hotel
Aurola Playa Flamingo	Hotel
Best Western Jaco Beach	Hotel
Best Western Tamarindo	Hotel
Best Western San Jose	Hotel
Best Western Irazu	Hotel
Camino Real Inter-Continental	Hotel
Hampton Inn	Hotel
Melia Playa Conchal	Hotel
Melia Confort Corobici	Hotel
Melia El Tucano Resort	Hotel
Quality Centro Colon	Hotel
Radisson Europa	Hotel
Ace Home Mart/Cemaco	Hardware
TCBY	Frozen Dessert
Taco Bell	Fast Food
Subway	Fast Food
Pizza Hut	Fast Food
McDonald’s	Fast Food
Kentucky Fried Chicken	Fast Food
Hardee’s	Fast Food
Domino’s Pizza	Fast Food
Burger King	Fast Food
Papa John’s	Fast Food
Radio Shack	Electronic Retailer
Dry Cleaners USA	Dry Cleaning
Martinizing	Dry Cleaning
Liz Claiborne	Clothing
EcoLab	Cleaning supplies
Denny’s	Casual Dining
Hallmark	Cards & Gifts
Avis	Car Rental
Budget	Car Rental
Dollar	Car Rental
Economy	Car Rental
Hertz	Car Rental
National	Car Rental
Thrifty	Car Rental
Deloitte & Touche	Business Services
Dun & Bradstreet	Business Services
Peat Marwick	Business Services

Price Waterhouse	Business Services
Sir Speedy Printing	Business Services
New Horizons	Business Services
Shell	Gas Station
Texaco	Gas Station

Franchise royalties are taxed a 25 percent withholding tax, but the U.S. does give a foreign tax credit for this expense. Import taxes vary as to the item; the trend is toward lower import taxes. The following are approximate:

Value Added (sales) Tax -- 13 percent
Ad valorem (import duty) Tax -- 1-50 percent, depending on item
Special one percent import tax -- 1 percent

D. DIRECT MARKETING

Direct marketing is a relatively new concept in Costa Rica. Since the country does not enjoy a postal/mailing system with defined street names and numbers, it is difficult to obtain client lists or reliable addresses.

There is no law that regulates direct marketing. In the absence of a specific law, direct marketing as a method of selling is presently regulated by the general law that applies to publicity and publicity agencies.

E. JOINT VENTURES/LICENSING

Licensing is not widespread in Costa Rica. Traditionally, foreign companies have exported to Costa Rica, or set up manufacturing/assembly operations in the country, either independently or through joint venture arrangements. Foreigners may legally own Costa Rican companies, or equity therein, and may invest in all areas not expressly reserved for state or parastatal entities. Foreign corporations may be organized legally in several ways: as branches (except for banks), joint ventures, wholly-owned subsidiaries or locally incorporated companies. Bona fide investments are encouraged and promoted actively by the Costa Rican government.

F. STEPS TO ESTABLISHING AN OFFICE

The most important provisions affecting business law are contained in the Costa Rican Mercantile and Civil Codes.

The first step in establishing a business in Costa Rica is to obtain the assistance of a Notary Public, the only professional authorized by law to register a company.

Companies must be recorded in the Costa Rican Mercantile Registry in order to be a legal, authorized entity. At registration all information related to the new company and the persons who will administer the company must be submitted, including the full name, nationality, occupation, civil status, domicile, the legal form of the business being organized, purpose of the company, amount of capital and the manner in which this capital is to be paid, time limits for payments, domicile of the company, and any other agreements made by the founders.

An extract of the registration is then published in "La Gaceta" (the official legal journal). Payment on initial equity (usually nominal) must be expressed in local currency and deposited with a local bank of the Costa Rican National System until registration is completed. Initial equity payment is generally $100 to $1,000.

Depending on the type of business, the company may have to acquire a municipal patent or permit. A foreign enterprise that has, or intends to open, branches in Costa Rica must appoint and retain a legal representative with full Power of Attorney concerning the business or the branch.

Similar to U.S. law, foreigners must become residents in order to work in Costa Rica.

Individuals interested in establishing a business in Costa Rica are encouraged to contact CINDE (Costa Rican Coalition for Development Initiatives) and/or PROCOMER (Costa Rican Foreign Trade Corporation). Both organizations are involved in providing support and information for prospective investors to Costa Rica. Each organization maintains extensive information data bases that are useful to potential investors in evaluating operating costs, taxation issues, availability of employees and related investment questions. Please see Appendix E for full contact information for representatives of these organizations in Costa Rica and in the U.S.

G. SELLING FACTORS/TECHNIQUES

As in the U.S., purchase decisions by Costa Ricans are based generally on comparisons of price, quality, technical specifications, convenience and the availability of local product support or after-sale service. U.S. exporters to Costa Rica must be willing to make smaller sales than those to which they may be accustomed in larger markets (Costa Rica’s GDP is roughly US$10 billion, with a population of approximately 3.5 million people).

Sales catalogs and brochures should be translated into Spanish. Products must be price-competitive. Terms of payment for purchases above four thousand dollars are generally transacted through irrevocable letters of credit. Open account payment terms are reserved generally for well known and well established customers. Insurance on accounts receivable is available through the Export-Import Bank of the U.S. Payment for small purchases is usually direct.

Business in Costa Rica, as in other Latin American countries, is conducted and based on the establishment of personal relationships. The Costa Rican business community places great importance on personal contacts with foreign suppliers. New U.S. suppliers/exporters should be prepared to travel to Costa Rica periodically and follow-up with customers regularly through contacts by fax, telephone and/or e-mail. A patient sales approach is preferred to a hard sell approach. Again, U.S. firms can maximize their export sales possibilities and longevity in the Costa Rican market through a local representative.

H. ADVERTISING AND TRADE PROMOTION: LISTING OF MAJOR NEWSPAPERS AND BUSINESS JOURNALS

Advertising:

Costa Rican newspapers are among the best ways to promote sales of products or services. Depending on the target market, advertising is also effective in magazines produced by organizations like the Costa Rican-American Chamber of Commerce (AmCham), the Chamber of Commerce of Costa Rica, and other specialized chambers/business associations.

Major Costa Rican newspapers (in order of circulation) include:

La Nacion
Apartado 10138
1000 San Jose, Costa Rica
Tel: (506)247-4747 Switchboard / (506) 247-4949 Advertising
Fax: (506)247-4849
Web Site: www.nacion.co.cr

Al Dia
Apartado 7-0270
1000 San Jose, Costa Rica
Tel: (506) 247-4666
Fax: (506) 247-4669

La Republica
Apartado 2130
1000 San Jose, Costa Rica
Tel: (506)223-0266
Fax: (506)222-7665 (Administration) or 257-0401 or 255-4049

(Advertising)
Web Site: www.larepublica.net

La Prensa Libre
Apartado 177-1009
1000 San Jose, Costa Rica
Tel: (506)223-6666
Fax: (506)222-8938
Web Site: www.prensalibre.co.cr

The Tico Times (the nation's most popular English-language newspaper)
Apartado 4632
1000 San Jose, Costa Rica
Tel: (506)258-1558
Fax: (506)233-6378
E-mail: ttimes@racsa.co.cr
Web Site: www.ticotimes.co.cr

Partial list of specialized, industry-specific and other commercial publications:

Actualidad Economica (Chamber of Commerce of Costa Rica)
Apartado 10096-1000
San Jose, Costa Rica
Tel: (506)224-2411 ext. 228
Fax: (506)225-7365
E-mail: entretenimiento@trejos.co.cr
Web Site: www.actualidad.co.cr

Business Costa Rica
(Costa Rican-American Chamber of Commerce)
Aerocasillas
AMCHAM Costa Rica
SJO 1576
P.O.Box. 025216
Miami, FL 33102-5216
Tel: (506)220-2200 (Costa Rica)
Fax: (506)220-2300 (Costa Rica)
E-mail: asibaja@amcham.co.cr
Web Site: www.amcham.co.cr

Alimentaria (Chamber of Food Industry of Costa Rica)
Apartado 7097-1000
San Jose, Costa Rica
Tel: (506)234-1127
Fax: (506)234-6783
E-mail: caciali@sol.racsa.co.cr

Oportunidades Comerciales (Chamber of Representatives of Foreign Firms - CRECEX)

Apartado 3738
1000 San Jose, Costa Rica
Tel: (506)253-0126
Fax: (506)234-2557
E-mail: crecex@sol.racsa.co.cr
Web Site: www.infoweb.co.cr/crecex

Camara Costarricense de la Construccion (Chamber of Construction)
Apartado 5260 -1000
1000 San Jose, Costa Rica
Tel: (506) 253-5757 or 381-3614
Fax: (506) 221-7952

La Industria (Chamber of Industry of Costa Rica)
Apartado 10003 - 1000
San Jose, Costa Rica
Tel: (506)285-3779
Fax: (506)222-1007
E-mail:camind@sol.racsa.co.cr
Web Site: www.cicr.or.cr

Especiales Revista Rumbo (published by Newspaper La Nación)
Apartado 1517-1100
San Jose, Costa Rica
Tel: (506)247-4402
Fax: (506)247-4477

El Financiero (Business, Finance and Economy themes)
Apartado 185 - 2120 Guadalupe
San Jose, Costa Rica
Tel: (506) 256-3956
Fax: (506) 256-3955

U.S. firms with representation in Costa Rica can broaden their promotional efforts by advertising selectively in these newspapers and commercial publications.

TRADE PROMOTION:

In addition to the traditional range of U.S. Department of Commerce export promotion services provided to U.S. firms in Costa Rica through partnership with the U.S.-based network of U.S. Export Assistance Centers, the Department's Commercial Section in San Jose can assist U.S. firms through trade missions, participation in local trade shows, matchmaker events, seminars, conferences, catalog shows and business receptions, all of which are conducted periodically on a cost-recovery basis with pre-approved budgets.

There is a limited number of privately organized trade promotion events in Costa Rica. The private trade fair organizer, FERCORI, has at least one international trade fair every two years. The next international trade fair is scheduled for March 2000. For further information contact:

FERIAS INTERNACIONALES, S.A. (FERCORI)
Apartado 1843 - 1000
San Jose, Costa Rica
Contact: Lic. Flor Carreras - President
Tel: (506)233-6990 or 233-6631
Fax: (506)233-5791
Web Site: http://www.fercori.co.cr/fercori/html

There is a computer-oriented event, FERCOMPUTO, organized by a private enterprise "Sistema Empresarial", which invites international participation and is scheduled for February 2000. For more information contact:

FERCOMPUTO
Apdo 2219- 1000
San Jose, Costa Rica
Tel: (506) 273-4545 xt 105
Fax: (506) 273-1010
Contact: Ms. Marta Sancho, General Manager
Email: sercsa@sol.racsa.co.cr

There is a Hotel trade event, EXPO-HOTEL, organized by the Costa Rican Chamber of Hotels. This exposition is open to trade representatives as well to the general public and is scheduled for the first week of April, 2000. For further information contact:

EXPO-HOTEL
Camara Costarricense de Hoteles (CCH)
Apdo 8422-1000
San Jose, Costa Rica
Tel: (506) 290-4757
Fax: (506) 290-5434
E-mail: info@costaricanhotels.com
Web Site: costaricanhotels.com
Contact: Ms. Ana Gabriela Alfaro, Executive Director

The Costa Rican Association of Professionals in the Tourism Sector organizes the international show Expotur. The main purpose of the show is to promote Costa Rican tourism, facilities and sites among foreign wholesalers and travel agents. The next show is scheduled for May 21-26, 2000. For more information contact:

EXPOTUR

SJO 3445
P.O.Box 025216
Miami, Florida
33102-5216
Att: Ms. Xiomara Murillo M.
Mr. Pablo Solano, Event Director
Tel/ Fax: (506) 280-5375
Toll free USA only: 1-888-EXPOTUR (397-6887)
Fax:(510) 792-5249
E-mail: acoprot@sol.racsa.co.cr
Web Site: http:www.acoprot.org

The private organization, VISIT USA Costa Rica, promotes travel and tourism to the U.S. and hosts a trade event each year. The next show is scheduled for April, 2000. For more information contact:

VISIT USA COSTA RICA
Apdo 11631-1000
San Jose, Costa Rica
Tel: (506) 257-4782 or 233-9600
Fax: (506) 223-2703
Contact: Ms. Alicia Lines, President
E-mail: visitusa@sol.racsa.co.cr
P.O.Box Account Nbr. 305
P.O.Box 025369,
Miami, FL 33102

I. PRICING PRODUCTS

Prices of products imported into Costa Rica are typically based on:

- the CIF value plus importation taxes,
- customs agent fees,
- in-country transportation costs, and
- other product-related costs.

Product prices are not regulated by the Costa Rican government.

The Costa Rican government has, however, established a "Canasta Basica" (market basket of consumer products) considered essential for the traditional household -- foods; household consumables; school uniforms, shoes and school supplies; basic construction products; agricultural chemicals; and tools and medicines -- the prices of which are monitored to judge if price increases are reasonable.

U.S. export pricing is generally minus the U.S. domestic marketing cost component, allowing a base price that is more competitive and providing more latitude for negotiating margins that motivate Costa Rican distributors, while maintaining attractive pricing in the market.

J. SALES SERVICE/CUSTOMER SUPPORT

Product support and after-sale service, provided usually through a local representative with the support of the U.S. exporter, is extremely important for both Costa Rican government institutions and private purchasers.

Availability of maintenance contracts, identification of convenient repair facilities, as well as any required technical support, are expected by buyers. Service literature and contracts should be provided in Spanish. The proximity of the U.S. to Costa Rica provides U.S. exporters with added flexibility in determining the most cost-effective and efficient product support arrangements.

K. SELLING TO THE GOVERNMENT

The Costa Rican Government procurement system is governed by the Costa Rican Finance Administration Law.

Government entities generally acquire their goods and services through public tenders which are published in the official newspaper (**La Gaceta**) and major newspapers. Some purchases are made directly from suppliers that have pre-qualified and pre-registered with government entities.

Foreign companies may establish a representative through a Power of Attorney for a specific tender. This representative can be a Costa Rican citizen/company, alien or resident of the country. A general Power of Attorney can also be given to an individual or company to represent the foreign company in various tenders for a specified period of time.

The local representative should be able to translate tender documents from Spanish into English, and assist in preparing bid offers in Spanish. Some large projects may require the presence of U.S. company officials in Costa Rica in order to better evaluate the requirements and prepare a competitive offer to the Costa Rican government entity.

When competing for government contracts, the value of a strong local partner or representative cannot be over-stressed. The local representative should be well established, reputable, well known and respected in business circles, and knowledgeable about Costa Rican business culture and process. This is especially true when competing for and executing government tenders. As noted earlier, the Gold Key Service of the U.S. Department of Commerce, available directly through the Commercial Section in San Jose, or through the U.S.-based partner network of U.S. Export Assistance Centers, is an excellent, economical strategy for identifying a potential partner or representative in Costa Rica.

In June 1995, the Government of Costa Rica enacted Law No. 7494 which established new procedures for public procurement. The regulations associated with this law were also approved and published in the official newspaper "La Gaceta" in October 1995. This new law and its regulations came into effect in May 1996.

The law establishes that government entities or ministries with a regular annual budget of more than US$200 million will be allowed to issue public tenders only if purchases are above US$2.3 million. The entity will be able to perform purchases between US$2.3 million and US$130 thousand through tenders circulated amongst a registered suppliers list. Below this amount the entity will also be able to make purchases among pre-selected bidders.

Five important government entities will follow the above-mentioned guidelines: the Costa Rican Institute of Electricity (ICE), the Costa Rican Petroleum Refinery (RECOPE), the Costa Rican Institute of Social Security (CCSS), the National Insurance Institute (INS) and the Government's National Procurement Department (Proveeduria Nacional). These five entities constitute the most important Costa Rican buyers and contractors to foreign companies and have been traditionally the largest generators of public tenders in Costa Rica.

Motivating the procurement changes was the desire of the Central Government to achieve a more expeditious and agile procurement system that could reduce the time gap between the publication of a public tender and the effective date of the procurement, also reducing somewhat the losses incurred through the gradual decline in value of the local currency, the 'colon.' The former procurement system was considered to be obsolete, cumbersome, burdensome and subject to countless appeals to the Comptroller's Office that in many cases delayed important projects for years. In some cases, tenders had to be annulled and the tender process had to be executed two or three times. According to government officials, the country lost millions of colones every year due to delays in the procurement process.

With this new tender schedule the government is attempting to avoid unnecessary delays in the bidding process and to avoid the payment of interest charges on undisbursed loans provided by international lenders. The new system exempts tenders (of US$2.3 million and less) made to registered suppliers from the possibility of appealing to the Comptroller's Office. The procuring entity itself must handle any complaint from the bidders.

The Commercial Service of the U.S. Embassy in San Jose encourages U.S. manufacturers and exporters of products and services required by the entities mentioned above to register their firms with the relevant Costa Rican government institutions. More importantly, we recommend that U.S. companies interested in exporting to Costa Rica contract with a local representative who can proceed with the registration process at the government entities requiring such a registration. Registration will allow the procurement departments of government institutions to invite registered foreign firms to bid on tenders and to be considered for direct purchases.

L. PROTECTING YOUR PRODUCT FROM INTELLECTUAL PROPERTY RIGHTS (IPR) INFRINGEMENT

Protecting a product from IPR infringement in Costa Rica is sometimes significantly more difficult than in the U.S. Patent protection, especially for pharmaceutical and agrochemical products, is seriously inadequate. In order to assure maximum IPR protection for any valuable product, it is advisable to obtain the services of an experienced intellectual property attorney familiar with local IPR laws and with the procedures of the Costa Rican National Registry. A brief summary of local IPR laws and international agreements to which Costa Rica is a signatory may be found in Part VII Investment Climate Statement), in this Country Commercial Guide.

In recent years, businesses dependent upon a reliable IPR regime (e.g., software distributors, music composers, cable TV entities, authorized video distributors) have tried to encourage the Government of Costa Rica to step up its enforcement efforts against serious violations of local intellectual property laws.

M. NEED FOR A LOCAL ATTORNEY

Obtaining competent, local, legal representation is critical when one is planning to begin a business, buy or sell real estate, apply for resident status or make any type of significant investment in Costa Rica.

Not only is Costa Rica's legal system (based on Roman law) considerably different than that of the United States (with its roots in English common law), but language differences present opportunities for serious miscommunications and misunderstandings, sometimes with grave consequences. It is strongly advisable to retain the services of an attorney who is completely bilingual to avoid potential communication failures.

Frequent communication and effective oversight of local legal representatives are also important to ensure that steps are completed in a relatively timely manner.

While the U.S. government cannot recommend specific attorneys, a referral list of lawyers can be obtained from the Commercial Section, as well as from the Consular Section.

N. PERFORMING DUE DILIGENCE/CHECKING BONA FIDES OF BANKS/AGENTS/CUSTOMERS

Before finalizing any contract, whether it be for a sale or representation, U.S. companies are urged to obtain information on the bona fides of the foreign firm, including reliable business and financial references. The U.S. Department of Commerce offers a service known as an International Company Profile (ICP). The ICP is a confidential report on a foreign firm, providing a commercial and financial profile, including business and financial references. Well known private sector credit-reporting services also provide credit reports in Costa Rica and the Commercial Section can provide contact information to interested firms.

CHAPTER V. LEADING SECTORS FOR U.S. EXPORTS AND INVESTMENT BEST PROSPECTS LIST FOR U.S. EXPORTERS

A. BEST PROSPECTS FOR NON-AGRICULTURAL GOODS AND SERVICES

Based on an analysis of recent trade data and public and private development trends, best prospects for non-agricultural goods and services, in rank order, for FY99, include (this list is subject to change):

1. Paper and paperboard
2. Computers and peripherals
3. Plastic Materials and resins
4. Agricultural chemicals
5. Automotive parts
6. Telecommunications equipment

7. Construction equipment
8. Medical equipment

A narrative description and statistical analysis of these sectors follow.

B. BEST PROSPECTS FOR AGRICULTURAL GOODS

The best prospects for U.S. agricultural exports to Costa Rica are:

1. Soybeans
2. Corn
3. Wheat
4. Rough rice
5. Fresh fruit
6. Processed fruit/vegetables
7. Snack foods

The best prospects for U.S. agricultural exports to Costa Rica are corn, soybeans, wheat, rough rice, fresh fruit, processed fruit/vegetables, juices, snack foods and high quality meats. In general, the most favorable prospects continue to be bulk commodities, but the area of high value products is expanding rapidly. Growing poultry and dairy industries are expected to continue to boost U.S. corn and soybean shipments, while growing population, privatization and rising income are expected to increase wheat and rice consumption and, thereby, U.S. export prospects. Higher disposable incomes and a trend toward consuming more convenience foods are expected to result in excellent prospects for U.S. exports of fresh fruit (mainly apples, grapes, peaches and pears), processed fruits and vegetables (especially canned fruits), and snack foods (including chips, cookies and candies).

A. BEST PROSPECTS FOR NON-AGRICULTURAL GOODS AND SERVICES -- CONTINUED

-- 01 -- PAPER AND PAPERBOARD (PAP)

NARRATIVE:

Costa Rica is one of the largest paper and paperboard importers and consumers in Central America and the Caribbean. The high demand for these products reflects the well developed printing and graphic arts industry in the country, and the high demand for locally produced packing and packaging products of paper. Another factor contributing to high demand is Costa Rica’s strengthening economic growth over the past two years. In 1997, Costa Rica had a positive GDP growth of 3.5 percent and an inflation rate of 11.2 percent. In 1998

Costa Rica enjoyed a positive GDP growth of 6.2 percent with an inflation rate of 12.4 percent. The total market size for paper and paperboard for 1997 was US$220 million; total imports were US$200 million. The United States has traditionally been the largest supplier of paper and paperboard to Costa Rica. In 1997, the United States exported paper and paperboard to Costa Rica valued at US$140 million, representing a market share of 70 percent. We estimate that both total imports and U.S. exports to Costa Rica will increase at a rate of 5 percent per year for the period 1998-2000.

Local production of paper products is limited to toilet paper, cleansing tissues, napkins and diapers. There is only one large local company producing this line of products, Scott Paper Company of Costa Rica, now merged with Kimberly Clark.

The principal third-country competitors to U.S. paper and paperboard include Mexico, with a market share of 8 percent in 1997; Canada with 7 percent; and El Salvador with 5 percent.

The most promising sub-sectors for paper and paperboard are: uncoated bleached and unbleached kraft paper and paperboard; uncoated paper and paperboard for writing; and newsprint paper.

PART 3. DATA TABLE: (US$ millions) *

	1997	1998	1999
A. Total market size	220	231	242
B. Total local production	50	53	56
C. Total exports	30	32	34
D. Total imports	200	210	220
E. Imports from the U.S.	140	147	154

* The above statistics are unofficial estimates, based upon industry sources and official 1997 trade data.

-- 02 -- PLASTIC MATERIALS AND RESINS (PMR)

NARRATIVE:

Despite a 16.5 percent decline in the import of plastic materials and resins during 1996, coincident with a bottoming of Costa Rica’s economic recession, growth resumed in 1997 and is expected to continue through 2000. Strong growth is being experienced in the construction sector (17 percent growth in 1997), as well as in other sectors that consume plastic products.

Market growth in the plastics industry during 1997 was approximately 5.2 percent. Market growth for the 1998-2000 period is expected to average 4-6 percent per year.

The manufacturing of plastic products such as tubing and ducts used in the construction industry, as well in the water supply and sewage services sector, are integral to the development and growth presently taken place in Costa Rica.

U.S. market share for plastic materials and resins in 1997 was 76.4 percent (total U.S. imports as a percentage of total market size).

There is considerable local production of plastic products from imported materials and resins, though no reliable statistics are available for local production. Major U.S. competitors in this sector are Mexico, Colombia, Germany, Holland, Israel, Italy, Belgium and Guatemala. Competitive prices, quality, and timely delivery are the main factors influencing U.S. sales of these products.

DATA TABLE: (US$ millions) *

	1997	1998	1999
A. Total market size	121.2	126.1	133.7
B. Total local production	-	-	-
C. Total exports	20.8	21.6	22.9
D. Total imports	142.0	147.7	156.6
E. Imports from the U.S.	92.6	96.3	102.1

* The above statistics are unofficial estimates, based upon industry sources and official 1997 trade data.

-- 03 -- COMPUTERS AND PERIPHERALS (CPT)

NARRATIVE:

In 1996 the demand for computer and peripheral equipment in Costa Rica grew 139 percent to about US$78.8 million. In 1997 imports of computers and peripherals increased 16.5 percent over 1996, to US$91.8 million. The Costa Rican Customs Department estimates that 17 percent of the reported import figure is software being imported along with the hardware. Market growth for the 1998-2000 period is expected to average approximately 13-15 percent per year.

Personal computer applications and continuing investment by Costa Rica in its telecommunications infrastructure have been important to Costa Rica’s development. Costa Rica has emerged as the leader in Central America in delivering telecommunications and information services and has become a central hub in the construction of the information highway in the region.

U.S. market share for computers and peripheral equipment in 1997 was 92.4 percent.

There is no significant local production of this type of equipment for direct local consumption, though there are several producers of parts and components for export performed as in-bond operations within Free Trade Zone facilities. For example, Intel’s local plant exported product from its Free Trade Zone facilities valued at more than US$950 million in 1998, and projects exports valued at approximately US$2 billion in 1999.

Major U.S. competitors in this sector are Japan, Taiwan, and South Korea. High quality, competitive prices, technical specifications, reliable local service facilities, and timely delivery are the main factors influencing U.S. sales of these products.

DATA TABLE: (US$ millions) *

	1997	1998	1999
A. Total market size	91.8	103.7	119.3
B. Total local production **	-	-	-
C. Total exports **	-	-	-
D. Total imports	91.8	103.7	119.3
E. Imports from the U.S.	84.5	95.5	109.8

* The above statistics are unofficial estimates, based upon industry sources and official 1997 trade data.

** Costa Rica’s production (light manufacturing, assembly and value-added processing) and exports are principally in-bond operations performed within Free Trade Zone facilities.

-- 04 -- AGRICULTURAL CHEMICALS (AGC)

NARRATIVE:

The agricultural sector in Costa Rica is one of the country's most important, accounting for 18 percent of Costa Rica's gross domestic product in 1997. The Government places great importance on this sector, facilitating banking credits and incentives to growers. The agricultural sector has remained very active during the past two years, particularly in the areas of traditional and non-traditional products for export. For example, in 1998 the banana sector produced a record of 115 million 40-lb boxes for exports.

The soils of the country in general are very poor in nutrients such as nitrogen, phosphorus, potassium, sulfur calcium and magnesium. The agricultural fields are also affected by tropical agricultural diseases, such as sigatoka (in bananas), fungous, nematodes, and other diseases. As a result, the demand for agricultural chemicals (fertilizers, fungicides, herbicides and pesticides) is high in the country. The sector depends entirely on the import of agricultural chemicals, either for direct application or as inputs for local production, in order to maintain and improve the quality crops.

The total market size for agricultural fertilizers and chemicals was US$211 million in 1997. Total imports for 1997 were US$154 million, of which US$61 million originated from the United States, the largest foreign supplier of agricultural inputs. In 1997 the U.S. had a market share of 40 percent of Costa Rica's imports of agricultural chemicals. The principal third-country competitors to the U.S. include Colombia, with a market share in 1997 of 10.8 percent; Germany with 5.6 percent; and Guatemala with 5.3 percent. The annual growth rate for this sector is estimated at 3 to 5 percent over the next three year period (1998-2000).

Local production: Costa Rica imports finished fertilizers, both grained and liquid, as well as the raw materials or ingredients for local production of fertilizers. There are three local producers of finished fertilizers, which in reality are blenders or mixers of fertilizers: FERTICA, ABOPAC and CAFESA. In the agrichemicals sector, there are several well-known companies that have established local operations to formulate and produce pesticides, herbicides and fungicides, including Cyanamid, Dow Chemical, ELF, Rohm & Haas, Rhone Poulenc, BASF, Griffin, among others. Their production is for local consumption (30 percent) and for export to Central America and the Caribbean (70 percent).

The most promising sub-sectors for U.S. exports of agricultural chemicals include fertilizers, herbicides and fungicides. U.S. products enjoy a good reputation in the Costa Rican market due to their high quality, competitive pricing and reliable ocean shipping services.

DATA TABLE: (US$ millions) *

	1997	1998	1999
A. Total market size	211	221	231
B. Total local production	110	115	120
C. Total exports	53	56	59
D. Total imports	154	162	170
E. Imports from the U.S.	61	64	67

* The above statistics are unofficial estimates, based upon industry sources and official 1997 trade data.

-- 05 -- AUTOMOTIVE PARTS (APS)

NARRATIVE:

Because of a tax law that favored older vehicles, Costa Rica experienced a surge in imports of used vehicles during the early 1990's. This surge in imports of used vehicles fueled a corresponding need in auto parts. Though the volume of imports of both new and used automobiles declined during the period 1995-1997, the market for imported auto parts has remained strong, increasing 16.6 percent from 1995-96 to about US$99.6 million, and to US$111.4 million in 1997, representing an increase of 11.8 percent from 1996. U.S. market share for automotive parts for 1997 was 40.6 percent.

Many Costa Rican importers of automotive parts and accessories purchase their products in the U.S., although a significant portion of the items are not of U.S. origin.

The consensus within the automotive parts industry is that during the period 1998-2000 the industry will grow at an annual rate of 6-8 percent. The U.S. share of the import market is expected to improve slightly, according to those in the industry.

Local production is limited to small electrical and metal parts, batteries, electrical copper cable, hydraulic seals, filters (air/gasoline), steel leaf springs, aluminum and steel wheels, windshields, carpets, hoses, mufflers, bus bodies, and tires. Major U.S. competitors in this sector are Japan, Brazil, Germany, South Korea, and Taiwan.

High quality, durability, availability and assortment of vehicle parts, fast delivery, and favorable prices are the main factors for increasing U.S. sales of these products.

DATA TABLE: (US$ millions) *

	1997	1998	1999
A. Total market size	111.4	18.1	127.6
B. Total local production	35.5	36.9	38.4
C. Total exports	32.5	33.7	34.9
D. Total imports	108.4	114.9	124.1
E. Imports from the U.S.	45.2	48.8	53.7

* The above statistics are unofficial estimates, based upon industry sources and official 1997 trade data.

-- 06 -- TELECOMMUNICATIONS EQUIPMENT (TEL)

NARRATIVE:

The telecommunications market in Costa Rica experienced significant growth during the 1990s. During the past decade, the arrival of new technology in the telecommunications industry such as cellular service, Internet services, and other communications services and devices for the commercial and industrial sectors has dramatically increased the demand for additional telecommunications infrastructure. The total market size was US$84 million in 1997. Since there is no local production of telecommunications equipment for local consumption, imports constitute the total market size -- again, US$84 million in 1997. Annual growth of the industry is estimated to be 10-12 percent for the years 1998 to 2000.

The Costa Rican Institute of Electricity (ICE), the government telecommunications monopoly institution, contracted through a leasing arrangement the installation of approximately 200,000 cellular lines to be completed in calendar year 1998. At present, the demand for cellular lines is approximately 5,000 per month. ICE is currently pursuing the acquisition of 40,000 cellular lines to cover the actual demand. ICE’s future plans include the leasing, with option to buy, of 405,000 fixed telephone lines and 130,000 wireless telephone lines. RACSA, an ICE subsidiary with responsibility for non-voice communications such as data transmission and Internet, was recently awarded the acquisition of the necessary infrastructure for the installation of 100,000 Internet lines.

The possibility of privatizing the telecommunications sector in Costa Rica is consistently opposed by the ICE workers' union and some political leaders. However, the new administration that assumed office in May 1998 presented to the Costa Rican Congress a proposal to amend the constitution in order to open the institution to private competition, allowing the participation of private operators in the local market. Though the bill was narrowly defeated in the 1999 legislative session, it stands a reasonable chance of approval in 2000. In the near term ICE appears to be more interested in accepting private investment in the telecommunications market through joint venture, build-operate-transfer (B.O.T.) or concession arrangement.

There is very good potential for growth of U.S. exports of telecommunication equipment to Costa Rica. European technology (Siemens, Alcatel, Ericsson) has dominated the market in Costa Rica during the 1960s through the 90s (mainly analog systems). However, application of U.S. technology in digital and cellular systems is increasing in the local market. U.S. exports to Costa Rica were US$31 million in 1997, representing a U.S. market share of 37.4 percent of total imports. Growth of U.S. exports in this sector during 1998-2000 is expected to be 8 to 10 percent per year. There is no significant telecommunication equipment production in Costa Rica that is consumed directly in Costa Rica. Principal third-country competitors in 1997 were Israel, with a market share of 15 percent of Costa Rica's total telecommunications imports; France with 15 percent; and Japan with 15 percent. The most promising sub-sectors in the telecommunications market are digital, cellular and wireless telephone systems, data transmission equipment and fiber optic networks.

DATA TABLE: (US$ millions) *

	1997	1998	1999
A. Total market size	84	92	101
B. Total local production	-	-	-
C. Total exports	-	-	-
D. Total imports	84	92	101
E. Imports from the U.S.	31	34	38

* The above statistics are unofficial estimates, based upon industry sources and official 1997 trade data.

-- 07 -- CONSTRUCTION EQUIPMENT (CON)

NARRATIVE:

The construction sector has been the most dynamic in Costa Rica's economy for the past two years. In 1997 the construction sector led all others, growing at more than 16 percent. This growth has been attributed to the strengthening of the country's economy, which experienced a GDP growth of 3.5 percent and 6.2 percent in 1997 and 1998, respectively. GDP growth in 1999 has been projected conservatively at 5.5 percent. The reduction of interest rates in the local banking system has also contributed to the growth of this sector.

The current administration has committed itself to improving economic performance, lowering inflation and renewing the focus on infrastructure development (e.g., roads, bridges, airport modernization, water and waste water treatment, port improvements, and rehabilitation of the railroad). The government plans to accomplish much of this work by offering infrastructure projects to private companies and consortia as concessions, made easier by the new Public Works Concession Law approved in May 1998.

The market for construction equipment, both new and refurbished, is expected to continue growing at an annual rate of 12-15 percent during 1998 to 2000. The market size for construction equipment was US$36 million in 1997. Total imports are the same as the market size (US$36 million), since there is virtually no local production of construction equipment. The United States is the largest supplier of construction equipment to the Costa Rican market, with exports of US$24 million in 1997, representing a market share of 67 percent. Principal third-country competitors include Japan, with a market share in 1997 of 7 percent; Germany, with a market share of 5 percent; and Canada, with a market share of 4 percent of Costa Rica's imports in this sector.

Construction equipment in high demand in Costa Rica includes tractors, backhoes, shovel loaders, asphalt mixers, and dump trucks. U.S. construction equipment enjoys a good reputation in the Costa Rican market due to its high quality, reliable availability of spare parts and maintenance/repair services through dealerships, competitive pricing and efficient ocean and air shipping services.

DATA TABLE: (US$ millions) *

	1997	1998	1999
A. Total market size	36	41	48
B. Total local production	-	-	-
C. Total exports	-	-	-
D. Total imports	36	41	48

E.	Imports from the U.S.	24	28	32

* The above statistics are unofficial estimates, based upon industry sources and official 1997 trade data.

-- 08 -- MEDICAL EQUIPMENT (MED)

NARRATIVE:

The demand for medical equipment in Costa Rica, as evidenced by imports, has been increasing strongly over the past three years. During 1995, the total market for this sector was US$7.0 million. Costa Rican imports of medical equipment increased 48 percent during 1996 to about US$10.4 million, and during 1997 the total market size for this sector increased 22 percent for a total US$12.7 million. Market growth for the 1998-2000 period is expected to average approximately 15-17 percent per year.
Costa Rica has a socialized health care system identified as the Costa Rican Social Security System (Caja Costarricense de Seguro Social - CCSS). This system includes 29 hospitals -- 9 general hospitals; 7 regional (1 in each geographic region/ province); and 13 peripheral hospitals (distributed in 3 categories according to their size). Sixteen of these hospitals are located in the Central Region of the country. Additionally, the CCSS is responsible for 505 clinics, of which 416 are small clinics with only basic equipment, known as ″Equipos Basicos de Atencion Integral″ (EBAIS), which provide basic medical assistance to patients in remote areas of the country. The country's hospitals have 6,920 beds which belong to the CCSS, plus approximately 150 beds in three private clinics/hospitals. The public is very sensitive to the government's programs in public health and encourages the replacement of obsolete medical equipment in the principal clinics and hospitals. The public sector, represented mainly by the CCSS, buys approximately 85 percent of the medical equipment in Costa Rica.

The CCSS has announced a major project to be completed by the end of 2002 or the beginning of 2003. The US$35 million project involves the construction of a new hospital in the city of Alajuela and includes equipment needs that are estimated at US$9-10 million. This is a turn-key project. It is estimated that bidding on hospital construction will take place in October 1999. A private hospital with an approximate investment value of US$30 million, including US$8 million of medical equipment, is also under construction. The local developer estimates that the project’s first construction stage will be completed by the year 2000.

U.S. market share for medical equipment in 1997 was 48 percent.

There is no significant local production of medical equipment that is consumed directly in Costa Rica. Major U.S. competitors in this sector are Germany and Japan. High quality, reliability, durability, favorable prices, good maintenance service and timely delivery are the main factors for increasing U.S. sales in the medical sector.

DATA TABLE: (US$ millions) *

	1997	1998	1999
A. Total market size	12.7	14.6	17.1
B. Total local production **	-	-	-
C. Total exports **	-	-	-
D. Total imports	12.7	14.6	17.1
E. Imports from the U.S.	6.1	7.0	8.2

* The above statistics are unofficial estimates based upon industry sources and official 1997 trade data.

** Costa Rica's local production and exports are principally in-bond operations performed within Free Trade Zone facilities.

B. BEST PROSPECTS FOR AGRICULTURAL GOODS - CONTINUED

A. Rank: 1

B. Name of Sector: Soybeans

C. ITA or PS&D Code: 222200

	1997	1998(est)	1999(est)
D. Total Market Size	170,000	175,000	185,000
E. Total Local Production	0	0	0
F. Total Exports	0	0	0
G. Total Imports	170,000	175,000	185,000
H. Total Imports from U.S.	159,553	165,000	170,000

Comments: Data are in metric tons and calendar years.

SOYBEANS

Total soybean imports totaled US$55.0 million in 1997, setting a new record and remaining Costa Rica's largest agricultural import product in terms of value. Exports of soybeans to Costa Rica from the United States were valued at US$46.0 million. Export volume also increased from 148,000 to 159,553 tons. Export volume is expected to increase during 1998 as the local poultry and dairy industries continue to demand larger volumes of feed. The same factors influencing corn imports have contributed to growing U.S. soybean exports (both are typically imported on the same ship). The U.S. lost its longstanding 100-percent share of the soybean import market (no soybeans are produced locally) to Brazil, which exported 10,000 tons to Costa Rica in 1997. Soybeans are imported primarily for meal; soybean oil has been in surplus over the last few years, with exports to Central America providing an outlet. Costa Rica's soybean oil consumption is growing, partly as a result of an advertising campaign funded by the American Soybean Association. Local palm oil provides strong competition. There is only one oilseed crusher in Costa Rica, INOLASA, located near the Pacific port of Caldera (where all bulk grains arrive).

A. Rank: 2

B. Name of Sector: Corn

C. ITA or PS&D Code: 440000

	1997	1998(est)	1999(est)
D. Total Market Size	456,000	460,000	470,000
E. Total Local Production	24,000	25,000	25,000
F. Total Exports	0	0	0
G. Total Imports	432,000	435,000	445,000
H. Total Imports from U.S.	416,000	410,000	415,000

Comments: Data in metric tons for marketing years (October-September).

CORN

U.S. yellow corn exports to Costa Rica declined in value, but increased in volume during 1997, as compared to 1996. The value of corn imports from all countries reached US$54.6 million in 1997. Of the total value, US$51.4 million came from the United States. All the yellow corn was imported from the United States during 1997. Imports of white corn are made from other sources as well as from the United States. During 1997, 7,500 tons of U.S. white corn were imported, out of a total of 23,466 tons.

The major expansion in production of chicken meat and milk, along with smaller gains in output of swine meat and aquaculture, have fueled strong corn imports for feed. Meanwhile, domestic (white) corn production has been affected by negative weather conditions during the last couple of years, resulting in low returns (virtually no yellow corn is now produced). U.S. corn exports are expected to continue to grow, although at a slower rate, given expected growth mainly in chicken production. Corn imports from countries other than the United States are usually white corn imports from Mexico and South Africa for flour and tortilla production. The United States is very competitive in shipping yellow corn out of the Gulf and holds nearly 100 percent of the market. Two private sector groups continue to import almost all of the corn.

A. Rank: 3

B. Name of Sector: Wheat

C. ITA or PS&D Code: 410000

		1997	1998(est)	1999(est)
D.	Total Market Size	187,000	190,000	195,000
E.	Total Local Production	0	0	0
F.	Total Exports	0	0	0
G.	Total Imports	187,000	190,000	195,000
H.	Total Imports from U.S.	166,000	170,000	170,000

Comments: Data in metric tons are marketing years (July-June).

WHEAT

Wheat imports from the United States reached US$33.8 million in calendar year 1997, with export volume of 166,000 tons. About 75 percent of Costa Rican wheat imports are hard red spring, with soft red winter and durum comprising the rest.

Domestic wheat consumption is expected to grow at a fairly stable rate to around 192,000 tons for the present marketing year. The United States has traditionally supplied 100 percent of the market, but Canada is now serving this market as well. During the past couple of years Canada has exported about 20,000 tons per year. Increased competition from Canada and the EU is expected. There are two wheat mills in Costa Rica: one that has continued importing mostly from the United States, and the other that is using almost all Canadian imports.

The private sector makes all the wheat purchases. No wheat is produced locally. There is strong competition in the domestic market between the two local wheat mills, Molinos de Costa Rica (the largest) and FAHACASA.

A. Rank: 4

B. Name of Sector: Rough rice

C. ITA or PS&D Code: 422110

		1997	1998(est)	1999(est)
D.	Total Market Size	217,000	220,000	225,000
E.	Total Local Production	157,000	160,000	175,000
F.	Total Exports	0	0	0
G.	Total Imports	60,000	67,000	40,000
H.	Total Imports from U.S.	36,000	67,000	27,000

Comments: Market size and local production (metric tons) are marketing years (August-July) for 1997/1998, 1998/1999 and 1999/2000. Import data are calendar years in milled rice equivalent.

RICE

After a loss of market share to Argentina in 1997, the United States regained 100 percent market share in rice imports in 1998. Imports from the United States in 1998 amounted to

67,000 tons of milled rice equivalent, valued at US$26.7 million. Rice import volume during the 1998/1999 marketing year reached 40,000 tons milled equivalent. 13,000 tons were imported from Uruguay and the rest from the United States. Costa Rica built up its stocks in 1998 as a result of the higher volume imported, resulting in lower import requirements during 1999. All rice imports during the 1997/98 and 1998/99 marketing years were rough rice. Costa Rica traditionally has purchased more rough rice (to keep domestic mills operating) than milled rice. The Government of Costa Rica allowed the 40,000-ton quota of imported rough rice to enter with a 10 percent tariff rate as opposed to the out-of-quota rate of 20 percent for rough rice. This was a change from the traditional system whereby the Costa Rican Government reduced the tariff on rough rice to 1 percent to import the volume needed to cover the domestic production shortfall. The tariff on milled rice, on the other hand, is 35 percent, providing a clear advantage to rough rice imports.

Costa Rica eliminated its rice import permit requirement in December 1994. The private sector generally makes all imports through a group of mills under the name Granos Basicos de Centroamerica. Also, during 1997 and 1998, an individual rice mill imported 15,000 and 18,000 MT, respectively, on its own. During 1999 two different importers participated in rice purchases in addition to Granos Basicos.

A. Rank: 5

B. Name of Sector: Fresh fruit

C. ITA or PS&D Code: N/A

		1997	1998(est)	1999(est)
			US$ MILLION	
D.	Total Market Size	n/a	n/a	n/a
E.	Total Local Production	n/a	n/a	n/a
F.	Total Exports	730	800	850
G.	Total Imports	9	9.5	11
I.	Total Imports from U.S.	8	8.5	10

Comments: Includes exports of bananas, pineapples and melons (the three largest categories of fruits exported). Based on GOCR statistics for 1997.

FRESH FRUIT

Exports of fresh fruit reached a value of US$8.0 million in calendar 1997. The leading fruit imports from the United

States were apples, grapes, pears, peaches, plums, apricots and cherries.

During January-April 1999, U.S. exports of fresh fruits have declined 10 percent as compared to same period in 1998.

The United States and Chile are exporting almost the same products to Costa Rica, but during different seasons. Imports from Chile take place from January to July. During the rest of the year imports come mostly from the United States, except for those fruits that are available year round. Domestic production of apples and grapes has also increased, although at a slow rate. The appearance and quality of the local production still do not compare to those of U.S. apples and grapes.

Completion of a Costa Rica/Chile Free Trade Agreement could negatively impact on U.S. competitiveness in this market.

Costa Rican imports of fresh fruits occur year-round, but 70 percent of total domestic consumption occurs during the Christmas season (October-December).

A. Rank: 6

B. Name of Sector: Processed Fruit/Vegetables

C. ITA or PS&D Code: N/A

	1997	1998(est) US$ MILLION	1999(est)
D. Total Market Size	n/a	n/a	n/a
E. Total Local Production	n/a	n/a	n/a
F. Total Exports	70	85	95
G. Total Imports	23	26	28
H. Total Imports from U.S.	6	8	10

Comments: Based on GOCR statistics.

PROCESSED FRUIT AND VEGETABLES

U.S. exports of processed fruit and vegetables totaled US$6.0 million in 1997. These products, especially mixed fruits, mixed vegetables, yellow & sweet corn, peas, mushrooms and garbanzo beans, generate strong import demand. Mexico, Chile, and Guatemala are the main competitors of the United States in the Costa Rican canned fruit and vegetables market. Due to the better economic situation in 1998, exports of processed fruit and vegetables continued to increase.

A. Rank: 7

B. Name of Sector: Snack Foods (excl. nuts)

C. ITA or PS&D Code: N/A

		1997	1998	1999
			US$ MILLION	
D.	Total Market Size	n/a	n/a	n/a
E.	Total Local Production	n/a	n/a	n/a
F.	Total Exports	33	35	38
G.	Total Imports	17	19	20
H.	Total Imports from U.S.	5	5.5	7

Comments: Total exports and imports based on GOCR data.

SNACK FOODS

U.S. exports of snack foods to Costa Rica totaled US$5.0 million in 1997.

During the period January-April 1999 snack food imports from the United States increased about 45% compared with the same period in 1998. We expect imports of snack foods to continue to increase during the rest of the year as consumers perceive an improvement of the economic situation.

Competing products are imported mainly from Central America (Guatemala and El Salvador) and from Chile, Argentina and Europe on a smaller scale.

Domestic production of chocolates and other candies and cookies also provide competition for the United States in the market. These products are also exported to Central America (with a small amount shipped to the United States).

CHAPTER VI: TRADE REGULATIONS AND STANDARDS

A. TRADE BARRIERS, INCLUDING TARIFFS AND NON-TARIFF BARRIERS

With the exception of the State monopolies in some important services, such as telecommunications, electricity, insurance, and petroleum production, as well as several deficiencies in the intellectual property regime, there are no significant trade barriers that affect the importation of most goods and services by Costa Rica.

Costa Rica is continuing the trend towards trade liberalization and unified lower tariffs within the Central American Common Market. As part of a process initiated in 1990 when the country acceded to GATT, Costa Rica became a founding member of the World Trade Organization.

In the context of the Uruguay Round, the Government of Costa Rica agreed to eliminate all import quotas and to limit tariffs to a maximum of 52 percent on most goods, excluding selected agricultural commodities of substantial local interest which are protected, or "safeguarded," with significantly higher tariffs. Examples of such protection are dairy products with a 106 percent tariff, and poultry products with a 262 percent tariff. Nevertheless, the Government of Costa Rica agreed to permit the importation of amounts not exceeding 3 percent of national consumption of these goods at a lower but variable tariff rate, which provides opportunities for new-to-market U.S. agricultural products. All imported automobiles -- both new and used -- are also relatively heavily taxed.

B. CUSTOMS REGULATIONS

Costa Rican Customs procedures are complex and bureaucratic. However, the 1995 General Customs Law introduced reforms aimed at streamlining Customs procedures. Much of the necessary processing is now accomplished electronically, and "one stop" import and export windows have significantly reduced the time required for Customs processing.

Costa Rica requires no special documentation for the entry of goods other than commercial invoices, bills of lading and air-way bills. Mail shipments require only postal documentation. Bulk agricultural products require phytosanitary certificates. Import of cosmetics, chemicals, toxic substances, insecticides, pesticides and agricultural chemicals requires an import permit from the Costa Rican Ministry of Health. The permit can be obtained with the presentation and approval of quantitative-qualitative analysis certificates and free-sale certificates, which must be provided by the exporter. These certificates must be authenticated by a Costa Rican consul in the United States of other country of origin.

Violations of documentation laws carry heavy fines. Consequently great care must be taken to avoid errors and infractions.

C. TARIFF RATES

Applied customs duties range typically from 1 to 28 percent ad valorem. The lowering of tariffs in recent years has been an important factor behind the growth of imports of consumer goods from the U.S.

Duties on imported raw materials, bulk grains, and oilseeds were reduced from five percent to one percent, effective July 1, 1996. (Costa Rica privatized its wheat and rice import sector in 1995, although retaining price controls on a very few basic products.) Periodically Costa Rica reduces the applied tariff on rough rice and beans to meet local demand. Duties on imported capital goods and most finished products are scheduled to be reduced gradually to one percent and 15 percent, respectively, by 1999 (from a range of five and 20 percent). However, duties on capital goods remain at three percent, since the Government of Costa Rica reserved the right to postpone the scheduled 1997 reduction. Tariffs on finished products, currently between 10 and 15 percent, will be determined on a case-by-case basis.

D. IMPORT TAXES, INCLUDING VALUE ADDED TAXES, PURCHASE TAXES, UPLIFTS AND SURCHARGES, AND PROVINCIAL TAXES

A 13 percent value added (sales) tax is paid upon purchase of most goods and services, including imported goods, not destined for official use by the Central or local governments. Certain basic products (staple foods, school uniforms, etc.) are exempted.

Selective consumption (excise) taxes for many imported (and domestic) products have been reduced or eliminated. However, excise taxes, ranging from 5 percent to 75 percent, apply to about half of all products imported. Among the highest taxed items are arms and munitions (75 percent), costume jewelry (50 percent), fireworks (50 percent), whiskey (50 percent), new and used vehicles (varies), and wine and beer (40 percent).

Some imports are also subject to taxes and Central Bank surcharges, generally also paid on goods manufactured in Costa Rica or in the rest of Central America, unless purchased by the Central Government or Municipalities and consequently tax exempt.

A one percent surcharge is imposed on most imports, except medicines and raw materials for human consumption and industry.

Duties and taxes are calculated as follows:

Ad valorem duty:	Levied on the CIF value of the imported item
Selective consumption tax:	Levied on the CIF value plus the ad valorem duty
Sales tax:	Levied on the sum of the CIF value, ad valorem duty and selective consumption tax
Surcharge (Law 6966):	Levied on the CIF value only; one percent of CIF.

E. IMPORT LICENSE REQUIREMENTS

Arms and munitions require a license from the Costa Rican Ministry of Public Security’s Department for the Control of Weapons and Explosives.

The Central Bank no longer licenses imports. Exports and imports are registered only for statistical purposes.

F. TEMPORARY GOODS ENTRY REQUIREMENTS

Temporary entry of raw materials, intermediate products and components used in goods destined for export, and the machinery, equipment, spare parts and tools used to produce the exported goods, are available for firms registered to operate within a free trade zone or under the "Regime of Active Finishing." Under the first mechanisms, the government does not consider the imported goods to have entered Costa Rican customs territory. Under the second, duties on inputs for goods to be exported are suspended for six months for materials and components and five years or longer terms for equipment, tools and parts. These terms can be renewed. Either regime is available to foreign or domestic investors upon application to the Ministry of Foreign Trade.

Temporary entry for equipment used in construction projects, sound or film equipment used by the entertainment industry, commercial samples of a significant value, etc., can be granted temporary entry by Customs upon depositing an amount equal to the duties that would be paid if the items were imported. The amount is refunded when the item is re-exported.

G. SPECIAL IMPORT/EXPORT REQUIREMENTS AND CERTIFICATIONS (HEALTH, PHARMACEUTICALS, PRE-SHIPMENT INSPECTIONS)

Pharmaceuticals, drugs, cosmetics, and some chemical products, such as solvents and precursor chemicals, require an import permit and registration in the Ministry of Health that are valid for five years. Food products require registration when imported for the first time. The Ministry of Agriculture requires Phytosanitary and animal health certificates. The Costa Rican importer must obtain the permits.

Surgical and dental instruments and machines can be sold only to licensed importers and health professionals.

H. LABELING, MARKING REQUIREMENTS

There are no general requirements in Costa Rica for marking the origin of general merchandise. However, Costa Rican food labeling regulations follow the Codex Alimentarius and require that all domestic and imported food products contain labeling in Spanish with the following specifications: product name, list of ingredients in quantitative order, nutritional content, name and address of importer, expiration or best-used-by date, and weight. Although expiration dates are required to be on all food product labels, Costa Rican importers are of mixed opinion regarding their utility, and the Government of Costa Rica is inconsistent in enforcing this requirement.

Special labeling requirements additionally apply to pharmaceuticals, fertilizers, pesticides, hormones, veterinary preparations, vaccines, poisonous substances, and mouthwashes.

Phytosanitary (USDA/APHIS) certificates are required for importing bulk grain and horticultural products. Zoosanitary (USDA/FSIS) certificates are required for importing fresh and frozen meats. Most processed food products (canned, boxed, pre-cooked) do not require phytosanitary or zoosanitary certificates, but exporters should check with their importers who are ultimately responsible for knowing local regulations.

I. PROHIBITED IMPORTS

The Government of Costa Rica prohibits the importation of used tires without rims, because mosquitoes carrying yellow fever or dengue fever breed in water accumulated in rimless tires. The importation of weapons is closely regulated; automatic firearms may only be imported by the Government.

J. WARRANTY AND NON-WARRANTY REPAIRS

Costa Rican law does not contemplate exoneration of duties or taxes on replacement parts, whether or not used in warranty repairs. Equipment used to make repairs can be admitted temporarily for a three-month period, renewable once, upon depositing with Customs the amount of duty that would be charged if the item were imported. The deposit is refunded upon re-export of the equipment.

K. EXPORT CONTROLS

The registration of Costa Rican exports with the Central Bank allows the Government to maintain export controls on some items, particularly if the goods are subsidized, under price controls, or intended for consumption by lower-income groups (rice, beans, sugar, etc.). Exports of livestock, wood and ornamental plants require a license from the Ministry of Agriculture. Metal scrap is subject to an export license from the Ministry of Economy, Industry, and Foreign and Internal Commerce. Coffee exports are regulated by ICAFE, the National Coffee Institute. Sugar exports are regulated by LAICA, a producers' organization. Quotas for textile and garment exports to the United States are apportioned to producers by the Textile Quota Office, a producers' organization. Coffee, sugar, banana, and beef producers' organizations also allocate export amounts among the producers up to the limit of various country quotas.

L. STANDARDS (E.G., ISO 9000 USAGE)

Costa Rican law requires the exclusive use of the metric system but, in practice, accepts U.S. and European commercial and product standards. A "system of standards" has not been implemented in Costa Rica due to a lack of adequate laboratory equipment and funding. In some isolated cases, U.S. and domestic companies doing business in Costa Rica use the International Standards Organization (ISO) designation in their promotional campaigns. According to the Costa Rican Technical Standards Institute (INTECO), only four local companies to date have obtained ISO 9000 certification. ISO 14001 certification for environmental responsibility has been granted to banana producers and at least one hotel operator in ecologically sensitive areas.

M. FREE TRADE ZONES (FTZs)

Free Trade Zones and the "Regime of Active Finishing" are the only export incentive systems remaining in Costa Rica. All other investment incentive programs (export contracts and temporary admissions regimes) were terminated in 1996. The Export Credit Certificates (CATs) ceased to be granted, and will be completely phased out by September 1999.

The Export Processing Law of 1981 established publicly-operated Free Trade Zone (FTZ) industrial parks in Santa Rosa (Puntarenas) on the Pacific Coast, and Moin (Limon) on the Caribbean seaboard. Today, eight FTZs operate in Costa Rica, six of which are privately-managed. The Free Zone Corporation authorized a new private FTZ project in Turrialba in 1998 in order to stimulate economic growth and employment in that rural province.

Today, 219 companies employing 27,000 workers operate in FTZs. According to the Ministry of Foreign Trade (COMEX) FTZ exports totaled US$ 1,933 million in 1998. The manufacturing sectors represented in the FTZs during 1997 included textiles (27 percent), electronics (28 percent), metallurgy (17 percent), pharmaceuticals (7 percent), agriculture and agroindustry (7 percent), and jewelry (4 percent). The benefits extended to companies establishing in FTZs include the following:

- 100 percent exemption from all export taxes associated with the export or re-export of products. The same exemption is granted for the re-export of equipment and machinery used in the productive process;

- 100 percent exemption from sales and consumer taxes, and taxes levied on remittances abroad;

- 100 percent exemption from income tax for the first eight years of operations; and

- credit for job creation in rural areas.

In addition to these benefits, companies operating in FTZs enjoy simplified investment, trade, and customs procedures.

N. MEMBERSHIP IN FREE TRADE ARRANGEMENTS

Costa Rica has entered a bilateral Free Trade Arrangement (FTA) with Mexico, and is a member of the Central American Common Market (CACM), with El Salvador, Guatemala, Honduras, and Nicaragua. Negotiations are underway for FTAs with the Dominican Republic, Panama, Chile and Trinidad and Tobago. With the exception of certain items, notably agricultural products, there are no duties for products traded among CACM members. The CACM has a common external tariff (CET), which ranges from 5 to 20 percent for most products.

From May 1997, through April 1998, Costa Rica served as the pro tempore presidency of the Free Trade Area of the Americas (FTAA) process, a hemispheric free trade and investment agreement which is targeted for implementation by 2005.

O. CUSTOMS CONTACT INFORMATION

Questions pertaining to customs issues should be addressed to:

Lic. Gerardo Bolaños
Costa Rican Customs Office
(Dirección General de Aduanas)
Calle 1, entre Avenidas 1 y 3
San Jose, Costa Rica
Tel: (506) 257-6202 / 233-9525
Fax: (506) 223-7334

Information on Free Trade Zones, the Active Finishing Regime as well as statistical information on Costa Rican trade and listings of importers and exporters available from the Costa Rican Foreign Trade Corporation (PROCOMER) an autonomous agency headed by the Minister of Foreign Trade. Contact information follows:

PROCOMER
Av. 3a. Calle 40
P.O. Box 1278-1007
San Jose, Costa Rica

Tel: (506) 256-7111
Fax: (506) 233-5755

CHAPTER VII: INVESTMENT CLIMATE

Costa Rican policies and practices substantially meet the elements of an open investment regime, as outlined below:

A. OPENNESS TO FOREIGN INVESTMENT

-- GENERAL GOVERNMENT ATTITUDE TOWARD FOREIGN DIRECT INVESTMENT

Costa Rica has an open international trade and investment regime. The government of President Miguel Angel Rodriguez, inaugurated in 1998, is continuing the Figueres Administration's effort to attract high quality foreign investment to Costa Rica.

Since mid-1982, the Government has placed considerable emphasis on improving the investment climate, exemplified by the creation of the Ministry of Foreign Trade (COMEX), which coordinates government efforts in the trade and investment areas. Reform legislation of 1996 redefined COMEX's authority, to include independence in negotiating international treaties, representation of Costa Rica in the World Trade Organization (WTO), and oversight of the Center for Export and Investment Promotion (PROCOMER) and the Free Trade Zone (FTZ) Corporation. COMEX is also charged with assisting prospective investors to gather information and complete formalities required for investing in Costa Rica. Under the Rodriguez Administration, COMEX has become part of the Ministry of Economy, Industry and Trade.

PROCOMER has expanded its "one-stop" export window to assist exporters in expediting often confusing export paperwork, and it created a similar "one-stop" window for importers in 1997. These services are available to foreign investors. The Costa Rican Coalition for Development Initiatives (CINDE), a private non-profit association originally created in 1982 under USAID sponsorship, operates a very active investment promotion program through its office in Costa Rica and regional offices in the United States, Europe and the Far East. CINDE has been closely associated with the arrival of some of the largest foreign investments in Costa Rica, e.g., Intel, Alcoa and (in the near future) Abbott Laboratories.

Industry surveys suggest that investors are most attracted by competitive labor costs for a well-educated workforce and by the country's economic and political stability. Another factor is that Costa Rica is a beneficiary of the U.S. Caribbean Basin Economic Recovery Act (CBERA), also known as the Caribbean Basin Initiative (CBI). The CBERA program grants Costa Rica duty-free treatment for some 4,000 products and has played a significant role in helping Costa Rica diversify its exports and increase bilateral trade with the U.S.

Industries considered to have good development potential in Costa Rica are those that are relatively labor intensive and require moderately or highly skilled workers. If the goods produced are eligible for CBI treatment, Costa Rica's attractiveness is further enhanced. Industries that have taken advantage of this potential include manufacturing or assembly of electronic components, telecommunications equipment, machinery, consumer goods, electrical appliances, up-scale apparel products, toys, sporting goods, selected leather products (most leather products do not benefit from CBI), and health and natural resource-based products, including food processing and agro-industrial products.

With the Government of Costa Rica's emphasis on exports, enterprises meant to supply or service domestic consumers tend to be overlooked. However, the local market has been targeted for the past twenty years by investors in fast food franchises (Burger King, Taco Bell, McDonald's, Pizza Hut, Subway, TCBY Yogurt, Kentucky Fried Chicken, Papa John's Pizza, etc.), car rentals (Hertz, Avis, Dollar, Budget, etc.), hotels (Marriott, Hampton Inn, Intercontinental), designer clothing boutiques (Tommy Hilfiger, Liz Claiborne), and computer products and services.

-- MAJOR LAWS/RULES AFFECTING INCOMING FOREIGN INVESTMENTS THROUGH ACQUISITIONS, MERGERS, TAKEOVERS, AND GREENFIELD INVESTMENTS

Foreign companies may operate legally in most sectors through a branch, a joint venture, a wholly-owned subsidiary, or by incorporating as a local, foreign-owned company. Banks must meet regulatory requirements based exclusively on the capital invested in the local subsidiary. Individual foreign persons or partnerships can also legally own and operate a limited liability enterprise, partnership, stock or charter company, trust, or cooperative. Regardless of how they operate, all enterprises, owners and company officers must be inscribed in the National Registry. Enterprises thus become "Costa Rican" regardless of the nationality of the owners or officers. Acquisitions and company takeovers are governed by regulations similar to those in the United States. Foreigners can be officers, directors, partners or trustees of companies, negotiate commercial documents, and execute any kind of contract.

Costa Rican laws are passed by the elected, unicameral Legislative Assembly and are ratified by the President. Some of the laws dealing specifically with investment are the Civil and Commerce Codes, the Export Promotion Law, the Financial Stabilization Act of 1984, and the Income Tax Law of October 1988. Banking and other laws also deal with specific topics such as property registration, taxation, mining and industrial contracts. In 1998, the Public Concessions Law defined mechanisms by which private investors can participate in activities reserved by the State.

-- OVERALL ECONOMIC OR INDUSTRIAL STRATEGY THAT HAS DISCRIMINATORY EFFECTS ON FOREIGN-OWNED INVESTMENTS

With very few exceptions, there is no discrimination against foreign private investments in Costa Rica. There are, however, sectors in which the government has a legal monopoly. Generally, the government seeks private investment in those sectors that are reserved for the state through various concession mechanisms (e.g., build-operate-transfer contracts for infrastructure projects). In most cases, foreign investors compete freely with Costa Ricans and are at an advantage due to their access to capital and technology. However, current law limits foreign equity in power-generating projects to sixty-five percent. Regulations also state that enterprises seeking loans from the three state-owned commercial banks, the country's largest, must have majority Costa Rican equity. These regulations are rarely enforced, however. Beachfront concessions, important for tourism investments, are subject to certain local ownership and residency requirements.

-- SCREENING (HOST GOVERNMENT SELECTION) AND SECTORS SCREENED

In general, discrimination between national or foreign investors is constitutionally prohibited. Foreign companies and persons may legally own equity in Costa Rican companies, including real estate, manufacturing plants and equipment, hotels, restaurants, and most other commercial establishments.

There is no screening of foreign investment in sectors not reserved to the State. In the past, troublesome investment disputes have arisen over limited participation in the sectors involving State monopolies, particularly the electrical and telecommunications monopoly held by the Costa Rican Electricity Institute (ICE). Currently, however, the government is seeking to grant concessions to private investors to develop and operate sectors under state control. In July 1999, for example, an American company was selected, subject to appeal, to invest in and operate the country's principal international airport over a twenty-year term.

-- ARE SCREENING MECHANISMS ROUTINE AND NON-DISCRIMINATORY? DO THEY SERVE AS AN IMPEDIMENT TO INVESTMENT, LIMIT COMPETITION, OR PROTECT DOMESTIC INTERESTS?

Except where the pertinent legislation specifically requires Costa Rican participation in an investment activity, screening mechanisms are non-discriminatory.

The opening of protected areas of the economy to private investment is a relatively recent phenomenon. In the power sector, where foreign participation is explicitly limited, foreign investors have nevertheless prospered. Currently, the private sector may only participate in power projects under "co-generation" agreements. The total of all private sector projects is limited to 15 percent of domestic demand, with each project limited to 20 megawatts (mw), and with a maximum foreign ownership of 65 percent. In addition, BOT (Build-

Operate-Transfer) and BLT (Build-Lease-Transfer) concessions are limited to 15 percent of ICE's installed capacity, with the maximum size of each project limited to 50 mw for a period not exceeding 20 years. Again, foreign investment is capped at 65 percent. U.S. and Japanese investors have successfully invested under the BOT mechanism in renewable energy projects (hydroelectric, geothermal and wind energy). The government is pursuing legislation to open this sector further to private investors. If and as this happens, the government has expressed its intention to pursue foreign investment vigorously.

-- SECTORS THAT ARE CLOSED OR SCREENED

Private investors, domestic and foreign, are only excluded from participating in those activities that are reserved for the State or are illegal. State monopolies continue to limit investment opportunities for private companies in public utilities, insurance, electrical production and distribution, hydrocarbon and radioactive minerals extraction, petroleum importing, refining and wholesale distribution, alcohol distillation (for the making of liquor), and port and airport operations. Other sectors closed to private investment include public health and police services. However, the current government is seeking innovative concession mechanisms to permit private investment in these areas, with an emphasis on attracting foreign capital and technology. Electrical power generation, described above, is one of the few sectors in which foreign equity participation is expressly circumscribed (to sixty-five percent).

In May 1994, the Hydrocarbons Act was amended to allow the State to award concessions to private parties, including foreign companies, for the exploitation of petroleum (were it to be found). The first concessions were open to bid in 1996 along both the Pacific and Caribbean coasts. To date, only one company (from the U.S.) has taken advantage of the new law. In May 1999, a second round of bidding was launched.

In 1996, the insurance monopoly was reformed to separate policy sales through private agents from underwriting. The State retains the monopoly, through its insurance company (INS), over all underwriting of life, health, and commercial insurance policies. However, INS frequently re-insures its risks with private U.S. and other foreign insurers.

At one time, Costa Rica screened and monitored investments that sought to qualify for special incentive programs (e.g., tax rebates for nontraditional exporters). With the phasing out of most investment incentives (e.g., income tax rebates) by September 1999, however, this sort of screening is also being phased out. There are no limitations or conditions imposed on transfers of technology, as any available technology is acceptable and can be imported. Geographically determined preferential areas of investment, set up as industrial investment and duty-free zones, were designed to facilitate access to export incentives.

-- SECTORS/MATTERS IN WHICH FOREIGNERS ARE DENIED NATIONAL TREATMENT OR MFN TREATMENT.

Foreign individuals wishing to participate in some service sectors may be discouraged by rigorous controls. Medical practitioners, lawyers, certified public accountants, engineers, architects, teachers and other professionals must be members of one of the guilds or "colegios." These organizations stipulate training, residency, examination and apprenticeship requirements that can only be met by long-time residents of Costa Rica, whether citizens or foreigners. Foreigners operating in the electrical power generation sector, radio or television broadcasting, or who seek concessions for beachfront property (if corporations) must have Costa Rican equity partners.

-- AT WHAT STAGE ARE FOREIGN INVESTORS ALLOWED TO PARTICIPATE IN COSTA RICA'S PRIVATIZATION PROGRAMS?

Costa Rica has no privatization programs at present. The first proposed sale of a State-owned asset, the International Bank of Costa Rica (BICSA), is currently on hold but is to be open to foreign underwriters and buyers.

The country's two principal political parties are close to a consensus on admitting private investment and management into sectors owned by the State via public concession contracts. This is in lieu of privatization. Under the 1998 Law on Public Concessions, contracts are to be granted through an open international bidding process. In an important test case using a legal mechanism that predates the 1998 law, a U.S. company was selected for the contract to invest in and run San Jose's international airport for twenty years. Proponents of public concessions foresee a similar process for private investment in such areas as energy, telecommunications, prisons, health care, port management, and railroads. A private American company, together with the national railroad authority, reopened a part of the railroad system in the Atlantic coastal area for the transport of bananas. Feasibility studies are underway to grant a concession covering the entire railroad network, in disrepair after a serious 1991 earthquake.

In 1996, the Costa Rican Government recommended selling the assets of the International Bank of Costa Rica (BICSA), pending the determination of underwriting and valuation procedures. BICSA's owners -- the three State-owned banks and the Finance Ministry as Receiver of the failed Banco Anglo Costarricense -- subsequently approved the sale of BICSA and are to receive the revenues of the sale to bolster their capital position and reduce public sector internal debt. The sale of BICSA, for which the World Bank was providing advisory services, was expected to take place in 1998, but was postponed indefinitely when the new government placed a higher priority on the opening of the energy and telecommunications sectors. Depending on the success of the BICSA sale, the Government of Costa Rica may consider selling the assets of the Bank of Costa Rica, one of the three remaining State-owned banks.

In banking, private commercial banks were permitted in June 1998 to compete with State-owned banks for demand deposits (checking and time deposits under 30 days' duration), upon meeting either of two requirements: (1) opening four branches in rural areas and depositing 10 percent of demand deposits with the State-owned banks; or (2) depositing 17 percent of demand deposits with the State-owned banks. This reform has increased competitiveness and efficiency in the banking sector, as evidenced by the expansion of new banking products (investment advisory and brokerage) and services (credit cards and ATM machines).

-- IS THERE ANY DISCRIMINATION AGAINST FOREIGN INVESTORS AT THE TIME OF THE INITIAL INVESTMENT OR AFTER THE INVESTMENT IS MADE, SUCH AS THROUGH SPECIAL TAX AND TREATMENT, ACCESS TO LICENSES, APPROVALS, PROCUREMENT, ETC.

There is no such discrimination against foreign investors, although access to licenses, approvals, etc., may be considered cumbersome by most foreign investors, as it is by Costa Ricans.

B. CONVERSION AND TRANSFER POLICIES

-- ARE THERE ANY RESTRICTIONS ON CONVERTING OR TRANSFERRING FUNDS ASSOCIATED WITH AN INVESTMENT (REMITTANCES OF INVESTMENT CAPITAL, EARNINGS, LOAN REPAYMENTS, LEASE PAYMENTS, FOR EXAMPLE), INTO A FREELY USABLE CURRENCY AND AT A LEGAL MARKET CLEARING RATE?

There are no limitations on transferring funds associated with investments, in any available currency, and at a legal market-clearing rate. There is no queuing for foreign exchange and no restrictions are imposed on reinvestments or on the repatriation of earnings, royalties, or capital except when these rights are covered in contractual agreements with the Government of Costa Rica. Royalties are taxed in accordance with Title IV of the Income Tax Law, No. 7092, extensively reformed in October 1988, in amounts varying from 10 to 25 percent.

-- ARE THERE PLANS TO CHANGE REMITTANCE POLICIES?

The Financial Reform Law, No. 7558, enacted in November 1995, initiated significant structural and operational modifications to the Costa Rican monetary law, guaranteeing free exchange and remittance in foreign currency. There are no indications of plans to change that law.

-- IS THERE DIFFICULTY OBTAINING FOREIGN EXCHANGE?

No. The 1995 Financial Reform Law's guarantee of the free conversion of the colon opened the possibility of negotiating contracts in any currency. Exporters and other earners of foreign exchange are now guaranteed the right to keep 100 percent of their foreign exchange earnings.

-- WHAT IS THE AVERAGE DAILY PERIOD CURRENTLY IN EFFECT FOR REMITTING INVESTMENT RETURNS SUCH AS DIVIDENDS, RETURN OF CAPITAL, INTEREST AND PRINCIPAL ON PRIVATE FOREIGN DEBT, LEASE PAYMENTS, ROYALTIES AND MANAGEMENT FEES THROUGH NORMAL LEGAL CHANNELS?

Since there are no foreign currency shortages and no legal restrictions, the average remittance period depends on the method of transferring funds and not on any limitations by the state or the Central Bank.

-- IF DELAYS OVER 60 DAYS ARE COMMON, WHAT ARE THE REASONS FOR SUCH DELAYS?

Delays over 60 days are not common.

-- CAN INVESTORS REMIT THROUGH A LEGAL PARALLEL MARKET (I.E., DOLLAR BONDS) IN LIEU OF IMMEDIATE PAYMENT IN DOLLARS?

Yes, dollar bonds and other dollar instruments may legally be traded.

-- IS THERE A LIMITATION ON INFLOW/OUTFLOW OF FUNDS FOR REMITTANCES OF PROFITS, DEBT SERVICE, CAPITAL, CAPITAL GAINS, RETURNS ON INTELLECTUAL PROPERTY, IMPORTED INPUTS?

There are no limitations on inflow/outflow of funds. There are no limitations on capital exports by either local or foreign residents or enterprises. Many Costa Ricans pay for raw materials and capital goods, or simply hedge against devaluation, by keeping some funds abroad, mainly in U.S. banks.

C. EXPROPRIATION AND COMPENSATION

-- REASONS FOR EXPROPRIATION

In the past, the Government of Costa Rica expropriated large amounts of land for national parks, biological refuges, and indigenous reserves. It also expropriates land to build roads and other public infrastructure.

-- DOES THE GOVERNMENT OFFER COMPENSATION AT THE TIME OF EXPROPRIATION?

Article 45 of the Constitution of Costa Rica stipulates that no property can be expropriated from a Costa Rican or foreigner without prior payment and demonstrable proof of public interest. Nonetheless, several U.S. claimants continue to seek resolution of expropriation disputes that began 15 or more years ago.

On June 8, 1995, the Legislative Assembly passed Law 7495 on expropriations, to clarify that expropriations are to take place only after full and advance payment is made, regardless of the nationality of the holder of such property. Included among the various provisions of the new expropriations law are: a) a requirement that the property be returned to the original owner if it was not used for the intended public purpose within ten years of the expropriation or, if the claimant had already been paid, to give the owner the first option of purchasing the property back at its current value; b) a maximum six-month period for the expropriating public institution to complete all requirements needed for registering the property formally; c) a one-month period during which the tax office must conduct an appraisal of the property to be expropriated; d) a requirement that the tax office itemize crops, buildings, rental income, commercial rights, mineral exploitation rights, and other goods and rights, separately and in addition to the value of the land itself; and e) provisions providing for both local and international arbitration in the event of a dispute. The Expropriations law was amended in 1998 to expedite some procedures, particularly those necessary for the Government to acquire land for new roads. It is expected that the new amended law will facilitate resolution of new expropriation cases.

-- HOW HAVE INVESTORS VIEWED THE AMOUNT OF COMPENSATION OFFERED?

Several unresolved expropriation cases involve disputes over the current value of the property or the rate of interest to be paid on amounts due and owing. The courts have not always required that interest be paid when payment is delayed or that the value of an award be protected against inflation.

-- ARE CLAIMANTS THWARTED IN EFFORTS TO HAVE CLAIMS HEARD?

The current and past governments have made considerable efforts to resolve several pending expropriation cases, and a number of longstanding high-profile cases have been partially resolved by the owners obtaining partial compensation or return of the property. One high-profile case has gone to international arbitration. In another, the government deposited over USD$ 7 million of compensation with the courts. Still, the process has been very slow. The U.S. Government is working with the Government of Costa Rica to resolve the remaining cases.

-- HAVE THERE BEEN ANY EXPROPRIATION ACTIONS IN THE RECENT PAST OR POLICY SHIFTS WHICH WOULD LEAD THE EMBASSY TO BELIEVE THERE MAY BE EXPROPRIATION ACTIONS IN THE NEAR FUTURE?

There have been no recent expropriation cases or policy shifts.

-- ARE THERE ANY TENDENCIES IN THE HOST GOVERNMENT TO DISCRIMINATE AGAINST U.S. INVESTMENTS, COMPANIES OR REPRESENTATIVES IN EXPROPRIATION?

There are no tendencies to discriminate against U.S. investors.

-- ARE THERE CERTAIN SECTORS (E.G., MINING, BANKING, LARGE LAND HOLDINGS) THAT ARE MORE AT RISK FOR EXPROPRIATION OR SIMILAR ACTIONS?

Most of the major expropriations involving U.S. citizens have involved rural land that has been incorporated into national parks or indigenous reserves.

-- ARE THERE LAWS THAT FORCE LOCAL OWNERSHIP?

The Maritime Zone Law governs the use of the first 200 meters of beachfront property in Costa Rica. The first 50 meters from the shoreline may not be developed, but investors may lease concessions to develop the remaining 150 meters of land, provided that the land is appropriately zoned for the use considered. However, most beachfront property is not zoned, leaving lessors, both Costa Rican and foreign, at some risk of later losing their concessions. At least 50 percent of the development capital (in the case of corporations) for these concessions must be Costa Rican. Individual foreign investors must have resided in Costa Rica for at least five years prior to leasing, which often leads to the use of Costa Rican nominees on lease contracts.

Landowners, especially in rural areas of Costa Rica, risk losing their property to squatters, who are often organized and increasingly violent. Police protection of landowners in rural areas is often poor to non-existent. Squatters gain rights to property if they occupy land in an open manner for one year. If unchallenged, squatters gain title to the property after an additional nine years of open and peaceful occupation.

-- DOES "CREEPING EXPRO" (GOVERNMENT ACTION TANTAMOUNT TO EXPROPRIATION) EXIST, SUCH AS CONFISCATORY TAX REGIMES THAT MIGHT WARRANT SPECIAL INVESTIGATION?

There is no "creeping expro." There are no special tax regimes that discriminate against foreigners.

D. DISPUTE SETTLEMENT, INCLUDING ENFORCEMENT OF FOREIGN ARBITRAL AWARDS

-- REVIEW OF THE COSTA RICAN GOVERNMENT'S RECORD OF HANDLING INVESTMENT DISPUTES:

Almost all investment disputes have involved expropriations (See A.3., above). Claimants have had access to local arbitration since 1991. However, Americans seeking binding resolution of property disputes through Costa Rica's domestic arbitration procedures, using Costa Rican lawyers as arbitrators, have obtained mixed results. In one of the cases, the arbitral award appeared to be inadequate.

Resolution of investment disputes through the courts can take years.

-- HAVE THERE BEEN INVESTMENT DISPUTES OVER THE PAST FEW YEARS INVOLVING U.S. OR OTHER FOREIGN INVESTORS OR CONTRACTORS? DO THESE DISPUTES REFLECT A PATTERN?

The main investment disputes over the past few years involve: a) properties expropriated in prior years to add to national parks, biological refuges, or Indian reserves; b) properties expropriated and/or overrun by squatters in the southern Pacific Pavones area; and c) the Millicom cellular telephone case, in which Costa Rica's Supreme Court ruled that a concession granted to Millicom was unconstitutional. There does not seem to be a pattern against U.S. or other foreign investors, as there are many cases of expropriations and squatter problems in which only Costa Ricans are involved.

-- DESCRIBE THE COUNTRY'S LEGAL SYSTEM.

Costa Rica, in common with most of the region, uses civil law, drawn from the Napoleonic Code, rather than common law. The jury system is not used. The fundamental norm is the Political Constitution of 1949, which is based upon a strict separation of powers and grants the unicameral legislature a particularly strong role. The Civil and Mercantile Codes govern commercial transactions. The courts are independent, and their authority is respected. The Constitution specifically prohibits discriminatory treatment of foreign nationals. The Civil and Mercantile Codes provide for local arbitration of commercial disputes. The new expropriation law, referenced above, explicitly provides for both international and local arbitration.

-- ARE THERE EFFECTIVE MEANS FOR ENFORCING PROPERTY AND CONTRACTUAL RIGHTS?

Litigation can be long and costly, although some U.S. claimants have satisfactorily resolved their cases in this manner. A number of disputes involving squatters on land owned by U.S. citizens and/or corporations remain unresolved by the Costa Rican judicial system. In general, the process to resolve squatter cases through the courts is cumbersome. The legal owner of land is at a significant disadvantage in a system that quickly recognizes rights acquired by squatters, especially when the dispute involves rural land not being actively worked. It is prudent that investments in land be limited to land actively farmed or occupied by the owner, and that a thorough investigation regarding the possible presence or threat of squatters be made prior to purchasing the property. Also, because civil archives recording land title are at times incomplete or contradictory, these records should be thoroughly researched prior to any land purchase to prevent disputes with others who may have conflicting claims.

-- IS THERE GOVERNMENT INTERFERENCE IN THE COURT SYSTEM?

The courts are independent by law and in practice. The Legislative Assembly appoints the Supreme Court magistrates for renewable eight-year terms.

-- IF AN INVESTMENT AGREEMENT IS DRAFTED SUBJECT TO THE COMMERCIAL LAWS OF THE U.S., IS THIS ACCEPTABLE BY THE LOCAL COURTS?

In general, choice of law clauses are respected in Costa Rica.

-- ARE JUDGMENTS OF FOREIGN COURTS ACCEPTED AND ENFORCED BY THE LOCAL COURTS?

Judgments of foreign courts are usually accepted and enforced by the local courts.

-- DOES THE COUNTRY HAVE A WRITTEN AND CONSISTENTLY APPLIED BANKRUPTCY LAW?

The Costa Rican bankruptcy law, addressed in both the Commercial Code and the Civil Procedure Code, is similar to the corresponding U.S. law. Title V of the Civil Procedure Code outlines creditors' rights and the processes available to register outstanding credits, administer the liquidation of the bankrupt company's assets, and pay creditors according to their preferential status.

-- ARE MONETARY JUDGMENTS USUALLY MADE IN THE INVESTOR'S CURRENCY OR IN LOCAL CURRENCY?

Monetary judgments are usually made in Costa Rican colones. However, if the dispute involves a dollar-denominated transaction, the award may first be calculated in dollars and then converted to colones for payment.

-- DOES THE GOVERNMENT ACCEPT BINDING INTERNATIONAL ARBITRATION OF INVESTMENT DISPUTES BETWEEN FOREIGN INVESTORS AND THE STATE?

Costa Rica acceded to the International Centre for the Settlement of Investment Disputes (ICSID) in 1993 (see below). To date, one expropriation case has been submitted to this forum. International arbitration has been included in "build-own-transfer" contracts between foreign investors and parastatal enterprises.

-- DOES THE GOVERNMENT REQUIRE THAT ARBITRATION BE CONDUCTED THROUGH A COSTA RICAN INSTITUTION?

Arbitration may be conducted through local courts, through ICSID, or through a new center for alternative dispute resolution of commercial cases established under a 1998 law. The Costa Rican Chamber of Industries operates the new center. The Costa Rica - American Chamber of Commerce (AmCham) has also organized an arbitration center.

-- IS HOST COUNTRY A MEMBER OF THE ICSID OR NY CONVENTION?

Since 1993, individual claimants have had recourse to international arbitration through ICSID -- a World Bank forum for settling investment disputes between governments and foreign investors -- when the Government of Costa Rica acceded to the Washington Convention.

In addition to becoming a member of ICSID, Costa Rica has joined the United Nations Multilateral Investment Guarantee Agency (MIGA), which provides a forum for international arbitration in investment disputes, as well as investment guarantees. Costa Rica has not joined the United Nations Protocol for the Compulsory Settlement of Disputes between Countries, or the New York Convention of 1958 on the Recognition and Enforcement of Foreign Arbitral Awards.

E. PERFORMANCE REQUIREMENTS AND INVESTMENT INCENTIVES

-- INVESTMENT INCENTIVES (GRANTS, TAX DEFERRALS, SPECIAL ACCESS TO CREDIT IMPORT QUOTA EXCEPTIONS, ETC.) AVAILABLE TO FOREIGN INVESTORS

The Free Trade Zone system, Tourist Infrastructure Law 6990, and the Active Finishing Regime are the only remaining investment incentives in Costa Rica. All other incentive programs (export contracts and temporary admissions regimes) were terminated in 1996. Some companies continue to receive Export Credit Certificates (CATs), interest-bearing government securities issued in exchange for export revenue. Eligibility for CATs is no longer offered, and their issuance will be completely phased out by the end of September 1999.

The Export Processing Law of 1981 established publicly operated Free Trade Zone (FTZ) industrial parks in Santa Rosa (Puntarenas) on the Pacific Coast, and Moin (Limon) on the Caribbean seaboard. Today, eight FTZs operate throughout

Costa Rica, six of which are privately managed. The Free Zone Corporation authorized a new private FTZ project in Turrialba in 1998 to stimulate economic growth and employment in that rural province. The benefits extended to companies establishing in FTZs include the following:

- 100 percent exemption from import duties on raw materials, processed or semi-processed products, parts or components;

- 100 percent exemption from all export taxes associated with the export or re-export of products. The same exemption is granted for the re-export of equipment and machinery used in the production process;

- 100 percent exemption from sales and consumption taxes, and taxes levied on remittances abroad;

- 100 percent exemption from income tax for the first eight years of operations; and

- Credit for job creation in rural areas.

In addition to these benefits, companies operating in FTZs enjoy simplified investment, trade, and customs procedures.

Tourist Infrastructure Law 6990 permits import tax exemptions for equipment imported by hotels, air carriers, car rental companies, and aquatic transportation companies (e.g., sportfishing operators). The Active Finishing Regime, created by Decree in August 1997, suspends taxes on imported inputs of qualifying companies and then exonerates those taxes when finished goods containing the inputs are exported.

Under the terms of the Central American Common Market (CACM) Treaty of 1960, industrial products produced in Costa Rica enter duty-free into four other Central American countries (Guatemala, Honduras, El Salvador, and Nicaragua). There are no discriminatory import policies on goods from outside Central America (except for high tariffs on some sensitive agricultural products, as well as motor vehicles). Most goods imported from outside of Central America pay duties ranging from one to 20 percent.

-- TO WHAT EXTENT ARE INCENTIVES SPECIFIED IN LAW OR REGULATION, OR GRANTED ON AN AD HOC BASIS?

Investment incentives can only be granted by law and not on an ad hoc basis. Incentives were created in three laws governing investment in Costa Rica: the Export Processing Zones Law of

1981, the Financial Stabilization Act of 1984, and the Income Tax Law No. 7092, last revised in October of 1988.

Special benefits are afforded to foreigners who establish residence in Costa Rica, such as retirees and resident investors, as well as Costa Ricans who retire here on incomes received from abroad. Information on the requirements and benefits established for such residents can be obtained from the Instituto Costarricense de Turismo (ICT), Apartado 777, San Jose 1000, Costa Rica (Tel: 506-223-1733).

In 1997, Intel was granted especially low electricity rates by the state electricity monopoly, which were questioned for being possibly "ad hoc." In reality, the rates were set low anticipating Intel's especially high rate of electrical consumption and the benefits were extended to all companies consuming similar quantities of electricity. Nevertheless, the Government of Costa Rica, eager to encourage Intel to establish a manufacturing facility in Costa Rica, sponsored Intel's petition before the electric utility.

-- ARE PERFORMANCE REQUIREMENTS IMPOSED AS A CONDITION FOR ESTABLISHING, MAINTAINING, OR EXPANDING THE INVESTMENT, OR FOR ACCESS TO TAX AND INVESTMENT INCENTIVES?

There are no performance requirements that foreign investors must meet.

-- IS THERE A REQUIREMENT THAT INVESTORS PURCHASE FROM LOCAL SOURCES, EXPORT A CERTAIN PERCENTAGE OF OUTPUT, OR ONLY HAVE ACCESS TO FOREIGN EXCHANGE IN RELATION TO THEIR EXPORTS?

There is no requirement that investors purchase from local sources or export a certain percentage of output. There is no restriction on access to foreign exchange.

-- IS THERE A REQUIREMENT THAT NATIONALS OWN SHARES IN FOREIGN INVESTMENTS? THAT SHARES OF FOREIGN EQUITY BE REDUCED OVER TIME? THAT TECHNOLOGY BE TRANSFERRED ON CERTAIN TERMS?

There is no requirement that nationals own shares in foreign investments, except in investments involving radio and television broadcasting, and electrical plants established under the laws of "co-generation." The co-generation laws stipulate that Costa Rican nationals must own at least 35 percent of the investment. They must own at least 65 percent of radio or television broadcasting companies.

-- ARE THERE GOVERNMENT-IMPOSED CONDITIONS ON PERMISSION TO INVEST, LOCATION IN SPECIFIC GEOGRAPHICAL AREAS, SPECIFIC PERCENTAGE OF LOCAL, LOCAL EQUITY REQUIREMENT, SUBSTITUTION FOR IMPORT, EXPORT REQUIREMENTS OR TARGETS, EMPLOYMENT OF HOST COUNTRY NATIONALS, LOCAL SOURCE OF FINANCING, ETC.?

There are no such restrictions on investment, except as noted above regarding co-generation of electrical energy and in section A.3. regarding beach front property concessions.

-- ARE THERE ENFORCEMENT PROCEDURES FOR PERFORMANCE REQUIREMENTS? INTENTIONS TO CHANGE REQUIREMENTS? ARE INVESTORS REQUIRED TO DISCLOSE PROPRIETARY INFORMATION TO GOVERNMENTS AS PART OF THE REGULATORY APPROVAL PROCESS?

There are no enforcement procedures for performance requirements or requirements to disclose proprietary information, nor known intentions to change this policy.

-- ARE U.S. AND OTHER FOREIGN FIRMS ABLE TO PARTICIPATE IN GOVERNMENT FINANCED AND/OR SUBSIDIZED RESEARCH AND DEVELOPMENT PROGRAMS ON A NATIONAL TREATMENT BASIS?

There are few government-financed and/or subsidized research and development programs in Costa Rica. Costa Rican universities and government agencies undertake in-house research projects.

-- IDENTIFY DISCRIMINATORY OR PREFERENTIAL EXPORT POLICIES AND IMPORT POLICIES AFFECTING FOREIGN INVESTORS. INCLUDE IF RELEVANT TARIFF BARRIERS, NON-TARIFF BARRIERS AND OTHER MEASURES SUCH AS IMPORT PRICE CONTROLS.

While no preferential export or import policies exist per se, foreign investors in Costa Rica have identified several logistical and bureaucratic problems affecting all investors who depend on imports or exports of goods. These include slow approval of documents for all types of transactions, especially Customs. These delays sometimes add considerably to operating expenses. The Government of Costa Rica has made serious efforts to reduce these inefficiencies, including the establishment of PROCOMER's "one-stop" window to assist exporters in obtaining the necessary approvals from government agencies, and the enactment of a new Customs law in July 1996.

F. RIGHT TO PRIVATE OWNERSHIP AND ESTABLISHMENT

-- IS THERE A RIGHT OF FOREIGN AND DOMESTIC PRIVATE ENTITIES TO ESTABLISH AND OWN BUSINESS ENTERPRISES AND ENGAGE IN ALL FORMS OF REMUNERATIVE ACTIVITY?

Apart from sectors described earlier that are reserved for the State or that require Costa Rican citizenship or residency, all private entities and persons, domestic or foreign, may establish and own business enterprises and engage in all forms of remunerative activity.

As of September 1996, pursuant to the enactment of financial reform legislation, private banks are permitted to compete for all banking services, including checking and savings accounts, upon fulfilling the requirements as described in A.1. Private insurance companies located abroad sell policies, as well as reinsurance and foreign trade insurance, mainly to foreign companies that insure imports from Costa Rica. Private-sector firms also offer educational, medical and security services, closely supervised by the corresponding state institution.

In fields where private enterprises provide the same goods or services to the public as State enterprises, open competition has sometimes led to the closing of the State company, or sale of assets to interested parties (food retailing, sugar refining, road building and repair, aluminum processing). In some cases (road construction and repair), the State regularly contracts through open bidding for private firms to undertake the project.

-- IS THERE A RIGHT OF PRIVATE ENTITIES TO FREELY ESTABLISH, ACQUIRE, AND DISPOSE OF INTERESTS IN BUSINESS ENTERPRISES?

Private entities, whether locally or foreign owned, may freely establish, acquire, and dispose of interests in business enterprises.

-- IS COMPETITIVE EQUALITY THE STANDARD APPLIED TO PRIVATE ENTERPRISES IN COMPETITION WITH PUBLIC ENTERPRISES WITH RESPECT TO MARKET ACCESS, CREDIT, AND OTHER BUSINESS OPERATIONS, SUCH AS LICENSES AND SUPPLIES?

State-owned enterprises are generally monopolies (such as electricity, telecommunications, insurance, etc.). Other activities (medical services, etc.) generally have equality of treatment with respect to activities also undertaken by State companies, although banks owned by the State receive some advantages over their private competitors.

G. PROTECTION OF PROPERTY RIGHTS

-- ARE SECURED INTERESTS IN PROPERTY, BOTH CHATTEL AND REAL, RECOGNIZED AND ENFORCED? DOES THE CONCEPT OF A MORTGAGE

EXIST? IS THERE A RECOGNIZED AND RELIABLE SYSTEM OF RECORDING SUCH SECURITY INTERESTS?

Secured interests in both chattel and real property are recognized and enforced, and mortgage and title recording is mandatory. However, recent property title disputes have suggested that abnormalities may exist in the National Registry, the Government entity recording property titles and boundaries. A U.S. title insurance company established a branch in Costa Rica in 1997 to provide title protection for investors in real estate.

-- IS THERE A FUNCTIONING, NON-DISCRIMINATORY LEGAL SYSTEM ACCESSIBLE TO FOREIGN INVESTORS THAT PROTECTS AND FACILITATES ACQUISITION AND DISPOSITION OF ALL PROPERTY RIGHTS, SUCH AS LAND, BUILDINGS, AND MORTGAGES?

In general, the laws controlling investment by foreigners are transparent. However, investment in real estate requires particular care due to potential problems with title, as mentioned above, and to the possibility of squatter invasions. This is especially true for absentee owners of undeveloped farmland.

Investment in beachfront property can be problematic since all beachfront is public property for a distance of 200 meters from the high tide mark and is strictly regulated in accordance with the Maritime Zone Law. Potential investors should be aware that no private occupancy is permitted within the first 50 meters of the shoreline, except in cities where the structure existed before the enactment of the Maritime Zone Law, and the public cannot be denied the right of access. The next 150 meters are also owned by the state, but concessions for a defined period of time may be granted by the municipality upon submission of an acceptable "regulatory plan" for use of the land.

Potential investors in Costa Rican real estate should also be advised that the right of crossing through traditional paths is an ancient custom protected by laws derived from Roman law (servidumbres). Given the risk of squatter invasions, expropriations and the strict regulation of property within the Maritime Zone, land investments in Costa Rica require constant vigilance and expert legal counsel.

-- IS THERE ADHERENCE TO KEY INTERNATIONAL AGREEMENTS ON INTELLECTUAL PROPERTY RIGHTS?

Costa Rica is a signatory of all major international agreements and conventions on intellectual property. Costa Rica became a member of the World Intellectual Property

Organization (WIPO) in 1980. It has ratified the GATT agreement on Trade Related Aspects of Intellectual Property (TRIPS), which comes into force for Costa Rica in January 2000. In May 1995, the Legislative Assembly ratified the Paris Convention for the Protection of Industrial Property. Adherence to TRIPS will require the Government of Costa Rica to extend patents on inventions from the current twelve-year term (only one-year on pharmaceuticals and agricultural chemicals) to twenty years. Legislation is being drafted to effect these changes before the end of 1999, as required by the Uruguay Round agreement. Costa Rica adopted the revised Central American Convention on Industrial Property in 1995. That convention is intended to bring Central American laws on industrial property into conformity with the requirements of TRIPS and the major international conventions.

-- IS THERE ADEQUATE PROTECTION FOR INTELLECTUAL PROPERTY: PATENTS, COPYRIGHTS, TRADEMARKS, TRADE SECRETS, SEMICONDUCTOR CHIP LAYOUT DESIGN?

In general, the laws pertaining to intellectual property are adequate, with the notable exception of patents. However, enforcement is cumbersome, time-consuming and inadequate. A new code of criminal procedure, promulgated in 1998 to simplify and facilitate resolution of criminal complaints, has yet to work as intended. According to U.S. industry sources, at least 90 percent of video tapes and films rented and sold in Costa Rica are unauthorized (contraband, parallel market import, or illegally copied). Similar allegations have been made by the music and software industries and by U.S. brand-name label clothing manufacturers and retailers. The first criminal case against video piracy, filed in 1995, was successfully resolved in early 1997, but over one hundred other cases remain outstanding.

-- PATENTS

In theory, U.S. patents can be registered in Costa Rica at the Patents Office of the National Registry. However, the current patent law has no provision for the establishment of a "mailbox" at the National Registry to accept patent applications.

Current Costa Rican law stipulates that patent protection for inventions cannot exceed twelve years. For pharmaceuticals and certain agricultural inputs, the period of protection is limited to one year.

Draft legislation to implement the TRIPS obligations is under active consideration within the Legislative Assembly, but it has not yet been enacted. However, as the Legislative

Assembly has ratified the TRIPS agreement, Costa Rica is obliged to observe its provisions, beginning in the year 2000, with or without separate implementing legislation.

-- COPYRIGHTS

Costa Rica is a signatory of the 1886 Bern Convention for the protection of literary and artistic works, the 1952 Universal Copyright Convention (Geneva), the 1961 Rome Convention for the Protection of Artists and Performers of artistic works, and the 1971 Geneva Convention for the protection of phonograms against unauthorized reproduction. Costa Rica has not ratified the 1974 Brussels Satellite Transmission Convention. A copyright holder may register a copyright at the National Registry, but protection is guaranteed under international treaties even if the copyright is not registered locally.

In May 1994, Costa Rica amended its copyright law to strengthen sanctions against piracy, including criminal penalties, and provide explicit protection of computer programs. Prior to this amendment, computer programs could be registered as general copyrighted material, even though the Costa Rican copyright law did not explicitly protect them. Despite the improved laws, however, enforcement remains weak.

-- TRADEMARKS

Trademarks are protected if registered at the National Registry, which keeps permanent files on foreign trademarks. Any trademark registered abroad can be registered in Costa Rica and, in practice, the trademark is protected from copy even if not registered in Costa Rica upon showing proof of registration and "notorious" use abroad.

-- TRADE SECRETS

Trade secrets are specifically protected in the Constitution and in the Civil, Mercantile, and Criminal Codes. Article 24 of the Constitution protects the confidentiality of communications, and Article 203 of the Penal Code stipulates jail terms as punishment for divulging trade, employment, and other secrets. The punishment is double for public servants. The patents, models and trademark protection laws stipulate criminal as well as civil liabilities for divulging certain types of trade secrets.

-- SEMICONDUCTOR CHIP LAYOUT DESIGN

Semiconductor chip layout design protection is to be included in the new patent law.

-- HAVE ADEQUATE STEPS BEEN TAKEN TO IMPLEMENT THE WTO TRIPS AGREEMENT?

Costa Rica claimed the 5-year exemption granted less developed countries under WTO rules. Draft legislation addressing the implementation of the TRIPS obligation was first submitted in early 1997. It is expected that such legislation will be enacted by January 2000, when the 5-year exemption expires. By ratifying the TRIPS agreement, Costa Rica has formally undertaken to enforce it.

H. TRANSPARENCY OF THE REGULATORY SYSTEM

-- DOES THE GOVERNMENT USE TRANSPARENT POLICIES AND EFFECTIVE LAWS TO FOSTER COMPETITION AND ESTABLISH "CLEAR RULES OF THE GAME"?

Costa Rican laws, regulations and practices are generally transparent and foster competition, except in monopolized sectors where competition is explicitly excluded. Normally, there are one or more independent avenues for appealing regulatory decisions.

-- DO TAX, LABOR, HEALTH AND SAFETY, AND OTHER LAWS AND POLICIES DISTORT OR IMPEDE INVESTMENT?

Tax, labor, health and safety laws are generally well conceived and enforced and do not interfere with investment decisions or flows.

-- ARE BUREAUCRATIC PROCEDURES SUFFICIENTLY STREAMLINED AND TRANSPARENT? TO WHAT EXTENT IS UNNECESSARY RED TAPE A PROBLEM?

Bureaucratic procedures are frequently long, involved and discouraging to newcomers. Nevertheless, long-time foreign resident companies and individuals appear to thrive despite the red tape that might discourage some newcomers. Judging by the recent arrivals of microchip giant Intel, bottle cap manufacturer Alcoa, and Abbott Laboratories, as well as the growth of the Costa Rican-American Chamber of Commerce, the regulations and red tape are not sufficient to block investor interest.

Much remains to be done to eliminate bottlenecks in public services, such as the Customs Service, and in the judicial system. At present, there is little or no provision for punitive damage remedies in civil cases, and an average two-year turnaround for criminal cases (intellectual property rights, squatter invasion of land, etc.). All judicial proceedings require highly specialized professional assistance.

Supplying goods and services to the Government also requires expertise. Public bidding proceedings occasionally are annulled because the would-be supplier or contractor has not understood or complied with all the regulations, including those involving environmental impact. In 1998, the Legislative Assembly enacted the Public Concessions law that modifies the 1995 legislation dealing with administrative contracting and procurement. This allows private contractors to bid on government projects within monopolized sectors while strengthening transparency in the process and simplifying procedures for appealing contract awards.

I. EFFICIENT CAPITAL MARKETS AND PORTFOLIO INVESTMENT

-- DO POLICIES FACILITATE THE FREE FLOW OF FINANCIAL RESOURCES TO SUPPORT THE FLOW OF RESOURCES IN THE PRODUCT AND FACTOR MARKETS?

The absence of capital controls greatly facilitates the free flow of financial resources. However, the small size of the economy and of the domestic banking system, together with the large domestically-financed public sector debt, constrain the efficiency of the financial system.

-- IS CREDIT ALLOCATED ON MARKET TERMS? ARE FOREIGN INVESTORS ABLE TO GET CREDIT ON THE LOCAL MARKET?

The three State-owned banks supply about 80 percent of domestic credit. Private banks are increasing their market share by employing innovative ways of borrowing and by operating in a more efficient manner, free of the political considerations of the State-owned banks. Credit is allocated on market terms, although the State-owned banks are sometimes obliged to finance high-risk or unprofitable activities deemed to be of public interest by the Government.

Foreign investors are able to borrow in the local market, but the small scale of the economy and closed nature of the society generally mean foreign borrowers must often form joint ventures with well-known local persons or meet stricter credit criteria if they wish to obtain domestic financing. They are free to borrow from abroad. Generally, the legal, regulatory and accounting systems are transparent and consistent with international norms. Some major international accounting firms have local offices to service international, as well as local, enterprises.

-- DOES THE PRIVATE SECTOR HAVE ACCESS TO A VARIETY OF CREDIT INSTRUMENTS?

The private sector is generally limited to commercial bank lending, trade credits, and factoring. Long-term capital is scarce, primarily because of relatively high inflation and currency devaluation rates that the banks cannot control. There is a small secondary market in commercial bonds or paper. The stock market is small.

The Securities Exchange (Bolsa Nacional de Valores) handles 96 percent of the securities trading in Costa Rica, with daily volume averaging US$ 30 million and an additional US$ 4 million traded on the subsidiary spot currency system, called MONED. Although 31 registered companies list bonds on the Securities Exchange, most enterprises are closely-held by shareholders who wish to avoid financial disclosure and take tax breaks on interest payments for loans. In practice, the Securities Exchange is primarily a forum to trade government bonds rather than a viable source of new investment or equity capital.

-- ARE LEGAL, REGULATORY, AND ACCOUNTING SYSTEMS TRANSPARENT AND CONSISTENT WITH INTERNATIONAL NORMS?

Legal, regulatory, and accounting systems are transparent and consistent with international norms. In fact, most well known accounting firms in Costa Rica are subsidiaries of U.S. firms. In 1989, an independent enterprise was established to rank debt issues in accordance with risk criteria similar to those used by Moody's.

-- IS THERE AN EFFECTIVE REGULATORY SYSTEM ESTABLISHED TO ENCOURAGE AND FACILITATE PORTFOLIO INVESTMENT?

The General Superintendent of Financial Institutions (SUGEF) regulates Costa Rican banks and financial institutions. Until recently, the National Security Commission (NSC) oversaw the 32 private broker/dealer corporations holding seats on the exchange. The Securities Reform Law enacted by the Legislative Assembly in February 1998 created the General Superintendent of Securities Markets (SUGEVAL), an autonomous authority replacing the NSC. SUGEVAL will regulate the securities markets, set capital requirements for broker/dealers, provide market data and oversee brokerage and transaction costs and operations. These changes will permit the direct participation of pension funds in the Securities Exchange, bolster investment funds and direct all potential privatization processes to the market through the Securities Exchange.

-- IS TITLE TO EQUITY AND DEBT REGISTERED TO THE OWNER OR IS PHYSICAL POSSESSION OF STOCK AND BOND CERTIFICATES ("BEARER BONDS") REQUIRED?

Title securities can be registered in bearer form or in the name of the investor. The Securities Exchange provides custodial services through a subsidiary operation (CEVAL), which was established in 1983. Under Rule 17f-5 of the U.S. Securities and Exchange Commission (SEC), CEVAL qualifies as an eligible foreign custodian, and entered into agreements with CEDEL (Luxembourg) and Euroclear in 1995 to offer access to the international bond and equity markets. CEVAL also maintains a custodial agreement with INDEVAL (Mexico).

-- WHAT ARE THE ESTIMATED TOTAL ASSETS OF THE COUNTRY'S LARGEST BANKS?

Total bank assets (not consolidated) in Costa Rica at the end of 1998 were approximately US$ 6.3 billion, of which the three public commercial banks held US$ 3.5 billion, the public savings and mortgage banks held US$ 0.64 billion, 21 operating private banks held US$ 1.5 billion, and local thrift associations held US$ 0.55 billion. The top-three private commercial banks had assets in the range of 50 to 60 billion colones (US$185 to 220 million).

-- IS THE BANKING SYSTEM SOUND? IF NOT, WHAT PERCENTAGE OF THE TOTAL ASSET BASE IS ESTIMATED AS NON-PERFORMING?

Approximately 9.5 percent of the total loans of State-owned banks are more than 90 days overdue, compared to 3.6 for the banking sector as a whole. A few of the smaller credit cooperatives and finance companies have failed in recent years. Generally, they have been absorbed by stronger institutions without losses to depositors, but a couple of cases remain unresolved. Since the establishment of the General Superintendent of Financial Institutions (SUGEF) in 1996, oversight of all financial institutions is believed to be enhanced, and banks are obligated to provide substantial reserves for their non-performing loans. As private banks make further inroads into the credit market, observers expect the financial sector to become more competitive, consolidating around a smaller total number of institutions.

-- ARE THERE "CROSS-SHAREHOLDING" AND "STABLE SHAREHOLDER" ARRANGEMENTS USED BY PRIVATE FIRMS TO RESTRICT FOREIGN INVESTMENT THROUGH MERGERS AND ACQUISITIONS?

There are few cross-shareholding and stable shareholder arrangements as only about ten percent of companies are publicly traded.

-- DO PRIVATE FIRMS HAVE DEFENSES TO PREVENT HOSTILE TAKEOVERS?

Since few companies are publicly traded, defenses are not specified by law.

-- ARE THERE LAWS OR REGULATIONS SPECIFICALLY AUTHORIZING PRIVATE FIRMS TO ADOPT ARTICLES OF INCORPORATION WHICH LIMIT OR PROHIBIT FOREIGN INVESTMENT, PARTICIPATION, OR CONTROL?

It is illegal to limit or prohibit foreign investment, participation, or control of private corporations.

-- ARE THERE PRIVATE SECTOR AND/OR GOVERNMENT EFFORTS TO RESTRICT FOREIGN PARTICIPATION IN INDUSTRY STANDARDS-SETTING CONSORTIA OR ORGANIZATIONS?

There are no private sector and/or government efforts to restrict foreign participation in industry standards-setting consortia or organizations.

-- ARE THERE ANY OTHER PRACTICES BY PRIVATE FIRMS TO RESTRICT FOREIGN INVESTMENT, PARTICIPATION, OR CONTROL IN/OF DOMESTIC ENTERPRISES?

There are no practices by private firms to restrict foreign investment, participation, or control in/of domestic enterprises. However, most firms are small and family-owned, which limits participation for anyone, local or foreign, outside the firm.

-- IS THE ENVIRONMENT IN HOST COUNTRY GROWING INCREASINGLY POLITICIZED SUCH THAT CIVIL DISTURBANCES COULD BE MORE LIKELY?

No.

J. POLITICAL VIOLENCE

-- HAVE THERE BEEN INCIDENTS OVER THE PAST FEW YEARS INVOLVING POLITICALLY MOTIVATED DAMAGE TO PROJECTS AND/OR INSTALLATIONS?

No. Costa Rica has not recently experienced significant problems with domestic political violence. Nonetheless, internal conditions in neighboring Nicaragua have contributed to extensive illegal migration into Costa Rica. The situation was exacerbated in late 1998 by Hurricane Mitch, which caused severe damage to Nicaraguan crops, housing and infrastructure. While there are no hard statistics on the numbers of people involved, Costa Rican immigration authorities estimated in March 1999 that there were 600,000 or more Nicaraguans living in Costa Rica at that time. This compares to a total population of around 3.5 million. In May 1997, then-President Figueres and Nicaraguan President Arnoldo Aleman reached agreement in principle on an ambitious plan to legalize the status of the large illegal work force. Following Hurricane Mitch, President Rodriguez implemented an amnesty program for illegal immigrants, and close to 150,000 Nicaraguans had applied by the deadline of July 31, 1999. While some migrants contribute to violence, incidents tend to be common crimes rather than politically motivated.

In January 1996, a small group of Nicaraguans kidnapped a German tourist and a Swiss-Costa Rican tour guide, holding them captive for 71 days. This group, whose demands had political overtones, released the two women unharmed after relatives paid a ransom. The police subsequently made several arrests. In March 1997, the group leader, a former Nicaraguan Contra, was sentenced to 30 years in prison. In April 1996, authorities arrested a small group that had manufactured homemade bombs and made threats against the constitutional order.

-- ARE THERE ANY NASCENT INSURRECTIONS, BELLIGERENT NEIGHBORS OR OTHER POLITICALLY MOTIVATED ACTIVITIES?

No indigenous or external movements are likely to produce political or social instability. While Costa Rica has a politically active society, most Costa Ricans direct their political activities within democratic norms. However, some groups block roads or highways to publicize their grievances. These demonstrations occasionally result in violent confrontations with police, as happened when police reopened highways blocked by Santa Ana residents protesting plans to establish a garbage dump in their town. Violence can also occur during the forceful eviction of squatters from private lands.

K. CORRUPTION

-- DOES COSTA RICA HAVE LAWS, REGULATIONS AND PENALTIES TO COMBAT CORRUPTION EFFECTIVELY? ARE THEY ENFORCED?

Costa Rica has sufficient laws, regulations, and penalties to combat corruption. However, the Costa Rican government lacks sufficient resources to enforce these laws and regulations effectively.

-- HAVE U.S. FIRMS IDENTIFIED CORRUPTION AS AN OBSTACLE TO FOREIGN DIRECT INVESTMENT?

U.S. firms have not identified corruption as a major obstacle to doing business in Costa Rica. Rumors do indicate some corruption in the processing of Customs declarations. High fees charged in the cargo port of Limon are often attributed to corruption, although the break-up of a monopoly held by three stevedore companies in 1996 has resulted in somewhat reduced cargo rates.

-- AREAS WHERE CORRUPTION IS MOST PERVASIVE: GOVERNMENT PROCUREMENT, TRANSFERS, PERFORMANCE, REQUIREMENTS, DISPUTE SETTLEMENT, REGULATORY SYSTEM? WHAT SECTORS?

In recent years, corruption has been exposed in the Civil Aviation Directorate, the Ministry of Public Works and Transportation, the State-owned banks, and the public housing authority (in charge of financing low-income housing). Most recently, senior management of the Pacific Ports Authority was charged with corruption. The former Director General of Civil Aviation and his appointees are under indictment, as are the former Minister and Deputy Minister of Public Works and Transportation. These officials face possible jail sentences. The on-going investigation of the loan portfolios of State-owned banks has resulted in the dismissal of several high-ranking bank officials.

-- WHAT IS COSTA RICA DOING TO COMBAT CORRUPTION?

In February 1997, the Legislative Assembly ratified the Interamerican Convention against Corruption. This OECD initiative obligates subscribing nations to implement penal sanctions specific to crimes of corrupt practices. Immediately after his May 8, 1998, inauguration, President Rodriguez directed the entire Government to implement anti-corruption measures. More than a simple reference to the scandals of the previous administration, the pronouncement sounded a clear warning to officials that their actions would come under closer scrutiny in his administration.

The 1995 Bank Reform Legislation included a provision requiring all banks and financial institutions to disclose their balance sheets. These disclosures, as well as the publication of the results of audits undertaken by the General Superintendent of Financial Institutions (SUGEF), are additional tools to help Government officials detect corruption.

On January 28, 1998, the Legislature enacted a law creating the General Superintendent of Securities Markets. The law also imposes detailed regulations on the issuance and trading of stocks and bonds. The first significant act of the new Superintendent was to close (June 1998) a stock brokerage company accused of mishandling funds and investments belonging to a government welfare agency. The owner of the company and the public officials involved have been charged with malfeasance and misappropriation of public funds.

The Costa Rican press actively exposes corruption, forcing administrative and judicial action against offenders.

-- IS GIVING OR ACCEPTING A BRIBE A CRIMINAL ACT? WHAT ARE THE PENALTIES?

Acts of bribery, including those directed against government officials, are criminal acts punishable by jail sentences upon conviction. According to the Costa Rican Criminal Code (Articles 314-315, and 338-339), public officials convicted of receiving bribes are subject to prison sentences from two to six years.

-- IS A BRIBE TO A FOREIGN OFFICIAL A CRIMINAL ACT?

All forms of bribery are criminal acts in Costa Rica.

-- CAN A BRIBE TO A FOREIGN OFFICIAL BE TAX DEDUCTIBLE?

Entrepreneurs may not deduct the proceeds of criminal activities as business expenses.

-- WHO IS RESPONSIBLE FOR COMBATING CORRUPTION?

The Office of the Comptroller (Contraloria), the Organization of Judicial Investigation (OIJ), and the Public Prosecutors' Office investigate allegations of corruption. The SUGEF audits and imposes sanctions on all financial institutions violating laws and regulations. The new Superintendent of Securities Markets supervises the stock exchanges.

-- HAS ANYONE BEEN FOUND GUILTY OF CORRUPTION, AS AN INVESTOR OR AN OFFICIAL?

Convictions for corruption have occurred, but only rarely. Investigations were undertaken in 1996 regarding allegations of corruption in the National Registry involving the illegal transfer of land titles belonging to non-resident foreigners, in the Civil Aviation Directorate over misappropriation of funds, and in the State-owned banks concerning under-collateralized loans to certain business enterprises. In June 1998, criminal charges were filed against businessmen and public officials accused of malfeasance and misappropriation of public funds belonging to a state welfare institution.

L. BILATERAL INVESTMENT TREATIES

Costa Rica has bilateral investment treaties with several Latin American and European countries, ranging from a longstanding one with Switzerland to more recent ones with Mexico and Chile. Negotiation of a bilateral investment treaty with the United States was suspended in 1990, restarted in 1996, and suspended again in 1997.

M. OPIC AND OTHER INVESTMENT INSURANCE PROGRAMS

-- STATUS AND POTENTIAL FOR OPERATION OF OPIC PROGRAMS IN COSTA RICA

The Overseas Private Investment Corporation (OPIC) offers both financing and insurance coverage against expropriation, war, revolution, insurrection and inconvertibility for eligible U.S. investors in Costa Rica. Financing is available to U.S. companies for a maximum of fifty percent of the initial investment between US$ 250,000 to US$ 200 million. In the recent past, OPIC has insured 3 to 5 new projects per year in Costa Rica, and holds a portfolio of more than 300 clients.

U.S. investors should be aware that OPIC, in accordance with statutory requirements, may not offer insurance to projects with a detrimental effect on the U.S. balance of payments or employment. These statutory requirements have led OPIC to offer only limited insurance coverage for textile and citrus investments. Similarly, all prospective OPIC insured projects must be approved by the Government of Costa Rica taking into account possible balance of payments or labor problems.

In addition to its regular insurance programs, OPIC has a computerized Opportunity Bank that seeks to identify and match potential foreign investment projects with U.S. investors seeking investment opportunities abroad. Further information regarding the Opportunity Bank, as well as OPIC programs for project financing and feasibility studies, can be directed to

OPIC, 1615 M. Street, N. W., Washington, DC, 20527, telephone (202) 457-7200. The Senior Insurance Officer can be reached directly at (202) 872-9306 or by facsimile at (202) 872-9306. The Business Development Officer can be contacted by phone at (202) 457-7116 or by facsimile at (202) 331-4234.

-- IS COSTA RICA A MEMBER OF OR DOES IT PLAN TO BECOME A MEMBER OF THE MULTILATERAL INVESTMENT GUARANTEE AGENCY (MIGA)?

Costa Rica became a member of MIGA in 1993.

-- ESTIMATED ANNUAL U.S. DOLLAR VALUE OF LOCAL CURRENCY LIKELY TO BE USED BY THE EMBASSY AND/OR OTHER U.S. INSTITUTIONS IN COSTA RICA.

The estimated annual U.S. dollar value of local currency spent by the U.S. Embassy and other U.S. institutions in Costa Rica is approximately US$3.5 million.

-- AT WHAT EXCHANGE RATE (E.G. OFFICIAL, FINANCIAL, LEGAL PARALLEL IN-COUNTRY OR PARALLEL MARKET IN A THIRD COUNTRY) DOES EMBASSY PURCHASE LOCAL CURRENCY?

The Embassy purchases currency at the rate established by the Central Bank (using a "dirty float"). That rate is routinely used by business for private transactions. OPIC has never had to pay inconvertibility claims in Costa Rica.

-- WHAT IS THE LIKELY RISK OVER THE NEXT YEAR FOR DEVALUATION OR DEPRECIATION OF THAT RATE?

The value of the colon has experienced a controlled, daily slide against the U.S. dollar for the past several years. The colon depreciated 11.1 percent relative to the dollar in 1998 and is expected to devalue at a similar rate during 1999

N. LABOR

The Costa Rican labor force is relatively well-educated, skilled and easily trained, largely due to long-term government investment in public education. The country enjoys a literacy rate of 94 percent and many workers seek and absorb additional specialized training. The National Vocational Training Institute (INA) and private-sector groups provide technical and vocational training. INA's vocational training centers provide training in textile machinery repair, electronic assembly and repair, general mechanics, gasoline and diesel engine maintenance and repair, and industrial maintenance. Other available training focuses on fishing, agribusiness, office management, and hotel and tourism services. Nonetheless, business leaders recognize the need for more specialized on-the-job training and both the public and private sectors are attempting to improve vocational training.

Costa Rica has an ample pool of professionals, educated at both Costa Rican and foreign universities. This base of professionals is the largest in Central America and among the largest and most diversified in Latin America and the Caribbean. Costa Rica has numerous registered engineers, many with advanced degrees, professional qualifications, and valuable foreign work experience. The country has many registered medical doctors, dentists, and oral surgeons. Life expectancy is relatively high, while infant mortality is low. The country has tens of thousands of university-trained teachers. Other important professional groups in Costa Rica include 7,500 registered lawyers and notaries, as well as business and public administration graduates, many of whom work in the civil service. About 10,000 professionals graduate each year from public universities, provincial colleges, and private institutions of higher learning.

In July 1997, official unemployment in Costa Rica was about 5.7 percent. However, official statistics represent only those employed or who actively seek work. They do not include self-employed workers or those who have stopped looking for work. Considerable underemployment also exists in Costa Rica, but absenteeism and worker attrition are relatively low.

The 1943 Labor Code governs labor-management relations, including salaries, working hours and conditions, separation of workers, and provides for the resolution of labor disputes in labor courts. The National Wage Council, composed of government, labor, and private-sector representatives, establishes minimum wage rates for the private and public sectors semi-annually.

Employers pay mandatory payroll taxes that cover such expenses as INA vocational training and social security (health, maternity, disability, old age, and death benefits). All workers are entitled to a two-week paid vacation and a Christmas bonus equal to one month's salary upon completion of one year's service. Workers employed for less than one year receive prorated bonuses. Women workers are entitled to four months of maternity leave. While these benefits add substantially to companies' base payrolls -- among the highest in the region -- higher productivity and skills often offset such costs.

The Labor Code limits the percentage of foreign workers in each company, stipulating that at least 90 percent of employees must be Costa Rican. The Labor Ministry may permit this limit to vary by ten percent under certain conditions during a five-year period. The Labor Code requires employers to pay at least 85 percent of company salaries to Costa Rican workers. Moreover, foreigners cannot occupy jobs for which Costa Rican workers are available unless the Labor Ministry grants permission.

Domestic and foreign companies, both within and outside the Export Processing Zones, have lost workers to better offers from other employers. Some textile manufacturers have moved to other Central American countries, in part because of relatively high wages and benefits in Costa Rica. Recognizing this, the Costa Rican government has encouraged companies to move to Costa Rica by promoting the nation's more mature, sophisticated, and technologically advanced labor pool. Several high-technology companies, including computer chip giant Intel, have recently made investments in Costa Rica to capitalize on such advantages.

According to the Labor Ministry, about 15 percent of Costa Rica's work force belongs to unions, a figure that has remained relatively constant. The vast majority of union members belong to the public sector. In early 1998, the Supreme Court ruled that public sector workers, except those in essential positions, have the right to strike. Earlier, the Government removed penalties against public-sector union leaders engaging in such strikes. Nonetheless, the government negotiated an end to the protests by agreeing to provide funding for the unemployed dock-workers and for community projects. A May 1997 strike against the government-owned electric and telephone utility failed to attract widespread support from workers and ended after five days. A protest march against private sector participation in the public electricity and telecommunications monopoly in April 1999 attracted a modest number of workers.

Strikes rarely occur in the private sector, because only about two to three percent of private-sector workers belong to unions. In the past, strikes in the banana sector led to violence, but such incidents have remained rare in recent years. Many private-sector workers join Solidarity Associations. Under such associations, employers provide access to credit unions and savings plans in return for agreements to avoid strikes and other types of confrontation. Overall, more Costa Rican workers now belong to Solidarity Associations than to unions.

In response to a 1993 AFL-CIO petition asking that Costa Rica lose benefits under the U.S. Generalized System of Preferences (GSP), the Costa Rican Government enacted legislation to prohibit Solidarity Associations from engaging in collective bargaining and to remove punishments for labor leaders involved in public sector strikes. The AFL-CIO withdrew its petition on condition that the Government enact other reforms, including approval of various International Labor Organization (ILO) conventions. While Costa Rica ratified eight ILO conventions (87, 98, 102, 122, 135, 138, 147, and 148), the Executive Branch withdrew another eight conventions (110, 140, 149, 151, 153, 154, and 155) from consideration by the Legislative Assembly. The ILO continues to receive complaints regarding unfair labor practices from Costa Rican unions. Such complaints generally center on insufficient protection of trade union activists and preferential treatment accorded Solidarity Associations. In June 1998, the Rerum Novarum Workers Confederation complained to the AFL-CIO about alleged Costa Rican Government non-compliance with commitments to protect worker rights. The organization, however, withdrew its complaint after the Rodriguez administration asked for a reasonable period to demonstrate its commitment to protecting worker rights.

O. FOREIGN TRADE ZONES/FREE PORTS

Free Trade Zones have been established near the port cities of Limon and Puntarenas as well as in various Central Valley locations. The benefits, primarily fiscal, are described in Section A.5 and are available equally to foreign and domestic investors.

P. FOREIGN DIRECT INVESTMENT STATISTICS

-- ANALYSIS OF INVESTMENT TRENDS AND IMPACT OF POLICIES AND THE ECONOMIC CONDITIONS ON FOREIGN DIRECT INVESTMENT IN COSTA RICA.

According to the Minister of Foreign Trade (COMEX), foreign direct investment in Costa Rica in 1998 was US$ 530 million, roughly 5 percent of GDP. This compares to approximately US$ 480 million in 1997 and US$ 430 million the year before. The trend has been consistently upwards throughout the nineties and has reflected a concerted Costa Rican effort to attract high quality investors. Existing investors cite Costa Rica's well educated population, command of English, political and social stability, and proximity to the United States as the country's leading attractions. However, labor costs, particularly non-salary benefits, are relatively expensive. Accordingly, there has been an evolution away from investments requiring relatively unskilled and low cost labor and towards industries requiring a more highly skilled workforce. Costa Rica is aggressively marketing its human resources and geographic advantages and is seeking quality investments in the manufacture or assembly of microelectronic components and electrical appliances, medical equipment and supplies, and high value-added apparel. This effort is greatly assisted by the country's Free Trade Zone regulations and by the very liberal trading and foreign exchange regimes.

-- VALUE OF FOREIGN DIRECT INVESTMENT (POSITION/STOCK AND ANNUAL FLOWS) BY COUNTRY OF ORIGIN AND INDUSTRY SECTOR DESIGNATION. SPECIFY SOURCE OF STATISTICS AND ANY SIGNIFICANT CHARACTERISTICS OR LIMITATIONS OF DATA.

The COMEX has acknowledged difficulty in quantifying foreign direct investment in Costa Rica due to the absence of an official foreign investment register. It has improved its efforts but lacks sufficient historical data with which to develop an accurate picture of the stock of foreign direct investment. Nevertheless, the U.S. is by far the largest source of investment, accounting for 78 percent of gross inflows during 1998, according to COMEX. The U.S. was followed that year by Mexico (7 percent) the EU (4.8 percent), South America (2.1 percent) and Canada (1.6) percent. In terms of the total stock of investment, Germany, Japan, the Netherlands, Italy, Spain, Korea, and other Latin American countries probably follow the U.S. in that order.
By industry sector destination, 45 percent of 1998 FDI went into manufacturing industry, 25 percent went into agriculture, 6 percent went into food processing, 5 percent went into the apparel industry, and the balance was distributed among several other categories.

According to the Government of Costa Rica's Free Trade Zone (FTZ) Corporation, 219 companies currently operate in FTZs. U.S. investments account for over 50 percent of FTZ investments, followed by Costa Rica Europe, Asia, and Latin America.

-- COSTA RICA'S DIRECT INVESTMENT ABROAD, BY COUNTRY OF DESTINATION

No data is available.

-- FDI STOCK AND FLOWS AS A PERCENTAGE OF GDP

-- 1998 FDI of US$ 531.1 million, as reported by COMEX, is approximately 5 percent of GDP. No data is available on the stock of FDI.

-- LIST OF MAJOR FOREIGN DIRECT INVESTMENTS BY U.S. COMPANIES

The Standard Fruit Company (Dole) and Chiquita Brands were for decades the principal U.S. investors in Costa Rica. Dole continues to expand its investment, diversifying from its core banana business into pineapples and, most recently, prepared salads for the Central American market. Chiquita has partially withdrawn from the plantation business and now concentrates more on exporting the fruit.

In recent years, investment has turned more toward manufacturing. Microchip giant Intel reportedly invested approximately US$ 200 million in 1997, with tentative plans to invest an additional US$ 150 million over the next two years. Intel will reportedly employ 3,500 professionals and technicians to assemble its Pentium line of microprocessors for personal computers. Intel's first shipment took place in April 1998. The construction of four Intel plants is projected in Costa Rica, with 1998 sales targeted at over US$ 900 million. Recognizing that other Central American countries and Mexico offer more attractive labor costs, CINDE has long sought to promote Costa Rica's highly-skilled labor force, political stability, and Free Trade Zone benefits to high-tech manufacturers, such as Intel, seeking a window to the Latin American and world markets.

Consolidation continued in the textile and apparel sector, which have experienced little new or expansion investment and some plant closures in recent years. Several lingerie plants closed in 1997, one of which moved to Nicaragua, and two to Mexico. The slowed investment in the textile/apparel sector reportedly is primarily due to the passage of NAFTA (providing Mexico with at least a 20 percent cost advantage in apparel over Costa Rica), lack of NAFTA parity for CBI countries in this sector, and Costa Rica's high operating costs compared to other countries in the region.

According to the Free Zone Corporation, there were 219 companies in the Free Zones in early 1999, an increase of 19 from 1997. Some of the more prominent companies are:

Company	Product or Service
Bodas Internacionales	N/A
Comercializadora Panduit	Electrical cables
Corporacion Q-Bit, S.A.	Radio frequency equipment

Del Rio Exportaciones	Leather products
DSC Communications de Costa Rica	P.C. boards
Fibras Opticas Com Rec	Fiber optic cables
G.M. Producto Italiano	N/A
Grupo Lider Alimentario	Industrial pastry
Hewlett Packard	Electronic components
Intel de Costa Rica	Electronic Components
Indagro Export Inc.	N/A
Industria Merrimac, Inc.	Telecommunications equip.
Magneticos de Centroamerica	N/A
Materiales Electricos	Electrical components
Me-Me Internacional	N/A
Productos Capuccino	Coffee extracts
Productos de Espuma	N/A
Protex Electronica	High tolerance elec.
QuickTick, S.A.	Printed tickets
S.D.B. Global, S.A.	N/A
Sensortronic de Costa Rica	Load cells
SIA de Costa Rica	N/A
Tabacalera Tambor	Tobacco products
Torso Internacional	Women's apparel
Western Union	

Major new U.S. FTZ investments registered in 1998 included:

Abbott Laboratories	Health care equipment
ALCOA Closure Systems International	Plastic bottle caps
Babyliss (Costa Rica)	N/A
Fotocircuitos de Costa Rica	Circuit boards

The tourism sector is also expanding rapidly. A new US$ 33 million, 245-room Marriott Hotel opened near the Juan Santamaria International Airport in San Jose in 1997. Marriott is currently participating in the construction of a major new resort on the Pacific Coast that includes a hotel, golf course, vacation homes and a yacht marina. Various other firms, some with U.S. participation, are expected to invest over US$ 200 million, beginning in 1999, in resort hotels in the Gulf of Papagayo on the Northwest Pacific Coast. In 1998, U.S. investors registered a US$ 26.1 million investment in a firm identified as Hotel Hacienda Lak, according to COMEX.

-- EXPANSION INVESTMENT

Companies recently making substantial new or expansion investments include:

Baxter Healthcare
Conair Corporation
Firestone

Intel
Marriott
Protek
Reliability of Costa Rica
Sawtek, S.A.

CHAPTER VIII. TRADE AND PROJECT FINANCING

A. DESCRIPTION OF THE BANKING SYSTEM

Costa Rica's banking system is dominated by three State-owned commercial banks, Banco Nacional de Costa Rica, Banco de Credito Agricola de Cartago, and Banco de Costa Rica. In September 1996, these banks lost their exclusive right to offer demand deposits (checking and savings accounts) and to the Central Bank's discount window. A fourth State-owned bank, the Banco Anglo Costarricense, was closed in 1994 after it incurred losses attributable to investments in Venezuelan debt instruments and non-performing loans. Legislative and judicial investigations continue in an effort to determine the reasons for the bank's failure.

The state's monopoly on savings and checking accounts was granted in 1948, when Banco de Costa Rica, Banco Anglo Costarricense and Banco Credito Agricola were bought by the State (Banco Nacional had been chartered in 1917 as the State's bank). The monopoly was surrendered in November 1995. Law No. 7558 (an ammendment to the Central Bank and monetary laws) significantly modified the structure and operation of the Costa Rican financial system. The major provisions of the law include redefining the role and structure of the Central Bank of Costa Rica, creating a General Superintendent of Financial Entities (SUGEF) to expand supervision and control over financial institutions, modifying the monetary law to guarantee the free exchange of foreign currency, and liberalizing capital markets.

The Central Bank of Costa Rica determines and directs all economic policy that affects the banking sector. The SUGEF enforces compliance with Central Bank policy regarding establishment, registration, capital requirements, and operations of financial institutions and groups. For example, the banking reform legislation required a reduction of the minimum legal reserve requirement for financial institutions to 15 percent by 1998 (from levels as high as 43 percent on sight deposits in 1995), except in certain temporary emergency situations. Financial institutions are proscribed from leveraging their balance sheets by more than 11 times their capital, and the legal lending limit is 20% of total capital per customer.

Currently, over 50 private banks and financial groups operating in Costa Rica can benefit from the 1995 reforms, which allow all financial institutions subject to SUGEF supervision to be granted both access to the Central Bank discount window and emergency loans, and permission to offer demand deposits (checking and savings accounts under 30 days' duration) upon fulfilling one of two requirements: (1) opening four branches in rural areas and depositing ten percent of current account funds (30 days or less) in a State-owned bank; or (2) depositing 17 percent of current account funds (30 days or less) in a State-owned bank.

Offshore entities may not undertake direct operations of financial intermediation (capturing deposits and lending money) within Costa Rica. However, the reform legislation stipulates that any SUGEF-regulated holding company or financial group owning 25 percent or more of the equity of an offshore entity must include the offshore assets on its balance sheet.

Private banks now provide a wide range of banking services in Costa Rica, forcing the State-owned banks to boost their competitiveness by improving the services and efficiency of the system as a whole. The only U.S. bank with a local operation in Costa Rica is Citibank, which operates as a local bank (Citibank Costa Rica, S.A.) and a brokerage company (Citivalores Puesto de Bolsa, S.A.).

Law No. 7732, enacted January 27, 1998, created the Superintendency of Financial Markets (SUGEVAL) in charge of stock exchanges and all transactions in stocks, bonds and similar financial instruments, activities previously done by SUGEF.

B. FOREIGN EXCHANGE CONTROLS AFFECTING TRADE (AS OPPOSED TO INVESTMENT)

The reform legislation of 1995 modified the monetary law by guaranteeing the free conversion of foreign currency. For purposes of trade and commerce, contracts may now be negotiated in any currency. Additionally, the exchange rate policy was liberalized, granting the Central Bank Board of Directors greater flexibility in determining appropriate rates, within legal limits. The Central Bank may authorize SUGEF-regulated institutions to set their own exchange rates under certain conditions. The Central Bank records inflows from exports but places no requirements on where those proceeds must be deposited.

The Central Bank is authorized in emergency situations, at its discretion, to introduce and regulate the use of short-term measures to alleviate economic imbalances or liquidity crises. Such measures include imposing surcharges on imports, limiting credit growth of financial entities, increasing the minimum legal reserve requirement (up to a ceiling of 25 percent), fixing the maximum intermediation rate (spread between lending and deposit rates), centralizing currency transactions in the Central Bank, and obligating the sale of currency derived from exports to authorized entities.

The Central Bank must, however, comply with limits on these extraordinary measures, which can only be imposed for one year or less, and which cannot be applied in a discriminatory manner among financial institutions or among sectors within the portfolio of each institution. The sum of the surcharge duties and other revenue generated by the extraordinary measures are to be used by the Central Bank to amortize the monetary stabilization account.

C. GENERAL FINANCING AVAILABILITY AND TERMS OF PAYMENT

The local market in Costa Rica is characterized by short-term loans, high interest rates, and high spreads. The spread between deposit rates and lending rates has traditionally been large but has decreased significantly since 1996, primarily because of excess liquidity, lower interest rate levels, and a gradual lowering of Central Bank reserve requirements. The average business lending rate as of June 1999 was 26.5 percent for loans in local currency, and 13 percent for US Dollar denominated financing. There seems to be ample financing available in both currencies.

Costa Rican public and private banks provide full trade financing services, including letters of credit, export financing, and other trade services.

D. HOW TO FINANCE EXPORTS/METHODS OF PAYMENT

Bank letters of credit (L/Cs) are the most common and secure method of payment in international trade, including in Costa Rica. Letter of credit operations are strongly recommended for Costa Rica, especially if the business relationship between the U.S. exporter and the local importer is still developing. Only after a long-term business relationship has been established between the exporter and the importer should a U.S. company consider granting an open account (e.g., payment within 30 days after receipt of goods). Transactions of US$4,000 or less are often handled through advance payment via bank transfers or sight drafts.

E. TYPES OF AVAILABLE EXPORT FINANCING AND INSURANCE (INCLUDING EXIMBANK AVAILABILITY, GSM CREDIT GUARANTEES, MULTILATERAL AND LOCAL SOURCES).

Various foreign sources make export financing available in local currency or in dollars to private and State-owned commercial financial intermediaries. Export financing by State commercial banks is offered to companies with majority Costa Rican ownership.

Large multinationals typically provide parent company guarantees when seeking credit domestically. When a parent company guarantee is not available, U.S. lenders usually undertake the credit risk only if an organization like OPIC (Overseas Private Investment Corporation) or MIGA (Multilateral Investment Guarantee Agency) provides an insurance policy to cover the sovereign risk.

U.S. Government Export Finance Programs:

The Export-Import Bank (EXIMBANK) is the principal official U.S. entity providing and guaranteeing credit to finance U.S.

exports, though it has not been active recently in Costa Rica. EXIMBANK engages in direct lending, both to foreign buyers and to private intermediaries who lend to buyers. However, most of EXIMBANK's export financing is in the form of credit insurance and loan guarantees. EXIMBANK has no offices in Costa Rica.

The U.S. Department of Agriculture (USDA) has made available a regional GSM-102 export credit guarantee program to encourage imports of U.S. farm products. Costa Rica is no longer eligible for PL-480 food aid, and it is hoped the GSM-102 program will enable Costa Rica to bridge over to purchases on normal commercial credit terms. Currently 5 Costa Rican banks are approved to participate in the program: Banco Banex, Banco BCT, Banco BFA, Banco Interfin and Banco Metropolitano. Costa Rican importers contract with U.S. exporters, as in any commercial transaction, who in turn pay a fee to USDA for the guarantee that the importer's letter of credit is valid. A large variety of agricultural products are elegible for financing under the 65M-107 and 65M-103 programs.

The U.S. Small Business Administration (SBA) provides financial and business development assistance to encourage and help small businesses develop export markets. SBA offers both loans and loan guarantees.

The U.S. Trade and Development Agency (TDA) provides grant loans for pre-feasibility studies overseas on projects with high U.S. product and service export potential.

F. AVAILABILITY OF PROJECT FINANCING, INCLUDING OPIC AND EXIMBANK PROJECT FINANCE, AS WELL AS LENDING FROM MULTILATERAL INSTITUTIONS

Government institutions in Costa Rica obtain most project funding from multilateral development banks, such as the Inter-American Development Bank (IDB) and the World Bank. These multilateral development banks finance projects in the areas of energy development, health, education, transportation, sanitation, sewage, agriculture, and private sector business development.

The procedures for government procurements financed by the multilateral development banks require the submission of pre-feasibility studies and environmental impact assessments, as well as the publication of the terms and dates of public tenders for foreign competition according to each bank's regulations. It is recommended that U.S. exporters engage a local representative to successfully participate in the bidding process.

In addition to IDB and World Bank financing, project financing is available for companies with majority Costa Rican ownership from the local banking system, with either the banks' own money or from funds made available by the Central American

Bank for Economic Integration (CABEI), the Venezuelan Petroleum Fund (interest paid on loans to buy oil from Venezuela), and other sources.

The foreign share of international projects is generally financed abroad, from such sources as U.S. private banks, guaranteed by EXIMBANK, OPIC or MIGA, all of which are open for business in Costa Rica.

While project financing is available for most activities, lenders generally give preference to export or tourist service industries, especially if the loan requires repayment in dollars or another hard currency. Recent projects include hotels, tourist resorts, fast food franchises, non-traditional exports, and the like.

936 Financing:

936 funds, which represent tax exemptions enjoyed by U.S. corporations earning revenue in Puerto Rico, were made available to U.S. investors in countries under the Caribbean Basin Initiative (CBI) and were used to good effect in Costa Rica. This program ended in 1996, however.

Inter-American Development Bank (IDB):

The IDB has historically been active in Costa Rica, though it has been less so in recent years. Disbursements are generally delayed by the requirement that the legislature ratify the loans, difficulties encountered by the Government to provide the required counterpart funds in local currency, and administrative delays. This process has averaged 18 months in Costa Rica, compared to 9 months for other countries. The IDB's private sector window, the International Finance Corporation (IFC) has also been active and maintains a regional office in San Jose.

G. TYPES OF PROJECTS RECEIVING FINANCING SUPPORT

The Inter-American Development Bank (IDB) finances a wide variety of projects covering a range of sectors, including health care, information technology, environment, agriculture, modernization of the state, education, transportation, urban development & housing, energy, water and sanitation, and financial institutions. In Costa Rica, the IDB group's recent activities have focused on renewable power generation.

In the public sector, the launching of major new projects has been limited by the government's fiscal problem and desire not to incur more debt. As the government develops and implements additional mechanisms to bring private investment into areas heretofore monopolized by the state, additional project opportunities may arise in sea and airports, railroads, prison construction and management, and toll road construction. Investors will probably be expected to obtain financing in large measure based upon their own creditworthiness and projected cash flow of their projects.

Private tourist developments, such as the Marriott Los Suenos resort and yacht harbor under construction, have raised financing from both domestic and foreign banks.

The World Bank has been relatively inactive in recent years.

The Overseas Private Investment Corporation (OPIC) provides direct loans to smaller U.S. enterprises; loan guarantees for larger projects; equity investment funds to start or expand overseas investment projects involving U.S. participation; and political risk insurance to protect against currency inconvertibility, expropriation, and political violence.

The Export Import Bank of the United States (Ex-Im Bank) provides financing for the purchase of U.S. exports and can be an important financing source for U.S. equipment used in major projects. Companies in the telecommunications, food processing, agribusiness, oil, gas, manufacturing, resource development and environmental sectors support the infrastructure development of emerging economies and are the most frequent purchasers of U.S. goods and services with Ex-Im Bank assistance.

H. LIST OF BANKS WITH CORRESPONDENT U.S. BANKING ARRANGEMENTS

All commercial banks in Costa Rica have correspondent relationships with major U.S. banks.

State-Owned Commercial Banks

Banco Nacional de Costa Rica
Banco de Costa Rica
Banco Credito Agricola de Cartago

BICSA (Banco Internacional de Costa Rica, S.A.), is an international bank under Bahamian registry owned by the three State-owned banks.

Private Commercial Banks

Banco BanCrecen, S.A.
Banco Banex, S.A.
Banco BCT, S.A.
Banco BFA, S.A.
Banco C.Q., S.A.
Banco Cathay de Costa Rica, S.A.
Banco Cooperativo Costarricense, R.L.
Banco de Credito Centroamericano (BANCENTRO), S.A.
Banco de San Jose, S.A.
Banco del Comercio, S.A.
Banco del Pacifico, S.A.

Banco ELCA, S.A.
Banco Federado, R.L.
Banco Finadesa, S.A.
Banco Improsa, S.A.
Banco Interfin, S.A.
Banco del Istmo (Costa Rica) ,S.A.
Banco Metropolitano
Banco Promerica, S.A.
Banco Solidarista, S.A.
Citibank (Costa Rica), S.A.
Scotiabank, S.A.

Financial Companies

Compania Financiera de Londres Ltda.
Corporacion Financiera CF, S.A.
Corporacion Finaciera Miravalles, S.A.
Financiera de Ahorro Banex, S.A.
Financiera America S.A. antes Financiera Promex, S.A.
Financiera Bantec, S.A.
Financiera Belen, S.A.
Financiera Brunca, S.A.
Financiera Cafsa, S.A.
Financiera Comeca, S.A.
Financiera de Organizaciones para el Desarrollo Sostenible, Fodes, S.A.
Financiera del First Pennsylvania, S.A.
Financiera Desyfin, S.A.
Financiera Intervest, S.A.
Financiera Mas X Menos, S.A.
Financiera Multivalores, S.A.
Financiera Opcion, S.A.
Financiera Trisan, S.A.
Grupo Internacional de las Finanzas, S.A.
La Union Financiera Aduanera, S.A.
Operadora de Fondos de Pension Pro-Vida, S.A.

Mutual Banks and other Housing Finance Institutions

Asociacion Mutualista de Desarrollo Comunal de Ahorro y Prestamo
Asociacion Mutualista Metropolitana de Ahorro y Prestamo
La Vivienda Mutual de Ahorro y Prestamo
Mutual Alajuela de Ahorro y Prestamo
Mutual Cartago de Ahorro y Prestamo
Mutual Guanacaste de Ahorro y Prestamo para la Vivienda
Mutual Heredia de Ahorro y Prestamo
Concocique R.L.
Coovivienda R.L.
Fundacion para la Vivienda Rural Costa Rica-Canada
Instituto Nacional de Seguros (INS-housing loan dept.)
Instituto Nacional de Vivienda y Urbanismo (INVU)
Univicoop R.L.
Viviendacoop R.L.

Banks Created by Special Laws

Banco Hipotecario de la Vivienda (Mortgages)
Banco Popular y de Desarrollo Comunal (Payroll deductions)
Caja de Ahorro y Prestamos del ANDE (Public Sector Workers)

Larger Savings and Loans Cooperatives

During 1999, the bank regulatory agency (SUGEF) intervened in several cooperatives, causing the viability of the entire cooperative movement to come under scrutiny. The main cooperatives are:

Fedecredito R.L.
COOPEASERRI R.L.
COOPE-ANDE No. 1, R.L.
COOPAVEGRA R.L.
COOPECOLON R.L.
COOCIQUE R.L.
COOPEGRECIA R.L.
COOTILARAN R.L.
COOPEJUDICIAL R.L.

CHAPTER IX. BUSINESS TRAVEL

A. BUSINESS CUSTOMS

Costa Rican business executives place great importance on personal contacts with foreign suppliers. Appointments should take place in the hosts' facilities instead of a hotel room, unless a special room has been arranged for the meeting. Unlike the protocol in some neighboring countries, a business suit is appropriate for most business meetings.

Typical working hours are from 8:00 AM to 12:00 PM, and from 2:00 PM to 6:00 PM. The Costa Rican government has a continuous working schedule from 7:30 AM to 4:00 PM. Most banks open from 9:00 AM to 3:00 PM.

B. TRAVEL ADVISORY AND VISAS

Property crime, such as pickpocketing and thefts from cars, is common, particularly in urban areas. U.S. passports are a particular target. The loss or theft of a U.S. passport should be reported immediately to the local police and the U.S. Embassy. Some remote trails in national parks have been closed because of the low number of visitors and reported robberies of hikers in the area. Tourists should check with forest rangers for current park conditions.

Costa Rican law requires all travelers to have a valid passport to enter the country for either business or tourism. At the discretion of Costa Rican authorities, travelers over the age of 17 are sometimes admitted with the original or a certified copy of a U.S. birth certificate and photo I.D. for tourist or business stays of up to 90 days. All travelers under the age of 17 must have a valid passport. The U.S. Embassy in Costa Rica highly recommends the use of a valid passport to enter the country. When a passport is not used, travelers are issued a tourist card upon arrival at the airport. U.S. citizens must have an onward or return ticket to obtain a tourist card. Upon departure, every tourist or business visitor is required to pay an airport tax (in 1999/$17.00).

Travelers should register with the Embassy, providing contact information both in Costa Rica and at home. They may register in person at the Embassy, located in the Pavas area of San Jose or by e-mail at the Embassy web site (http://usembassy.or.cr). The web site also contains regularly updated information about matters of possible interest to visitors to Costa Rica.

To obtain additional and updated information on entry and exit requirements, travelers can contact the Consular Section of the Embassy of Costa Rica at 2114 S Street, N.W.,Washington, D.C. 20008; Tel: (202) 328-6628 or the nearest Costa Rican consulate, which are located in Los Angeles, San Diego, Tampa, Atlanta, Miami, Chicago, New Orleans, New York, Philadelphia, San Juan, Puerto Rico, Austin, San Antonio and Houston.

C. U.S. AND COSTA RICAN (C.R.) HOLIDAYS (CY '00)

Jan. 1	-U.S./C.R. New Year's Day
Jan. 17	-U.S. Martin Luther King's Birthday
Feb. 21	-U.S. President's Birthday
Apr. 20	-C.R. Holy Thursday
Apr. 21	-C.R. Good Friday
Apr. 11	-C.R. Juan Santamaria
May. 1	-C.R. Labor Day
May. 29	-U.S. Memorial Day
Jul. 4	-U.S. Independence Day (4th of July)
Jul. 25	-C.R. Annexation of Guanacaste
Aug. 2	-C.R. Our Lady of the Angels
Aug. 15	-C.R. Mother's Day
Sep. 4	-U.S. Labor Day
Sep. 15	-C.R. Independence Day
Oct. 9	-U.S. Columbus Day
Oct. 12	-C.R. Columbus Day
Nov. 10	-U.S. Veteran's Day
Nov. 23	-U.S. Thanksgiving Day
Dec. 25	-U.S./C.R. Christmas Day

It is recommended that business trips to Costa Rica not be scheduled immediately before or immediately after local or U.S. holidays. The Embassy will be closed on U.S. and Costa Rican holidays.

D. BUSINESS INFRASTRUCTURE

TRANSPORTATION:

Costa Rica's infrastructure is among the best developed in the region. There are more than 7,000 kilometers (4,400 miles) of principal highways and roads and some 16,000 kilometers (9,600 miles) of rural roads. However, the roads system is not well maintained, causing strain to both vehicle and driver. Costa Rica has more than 500 kilometers (300 miles) of railway track, but little of it is currently in use. All overland cargo, except bananas from the Pacific ports, are transported via truck.

There are also more than 100 small private landing fields serving approximately 300 registered aircraft. San Jose's principal airport, Juan Santamaria International Airport, is served by 16 international passenger airlines and 19 cargo airlines. To serve the Guanacaste tourist area, the Liberia International Airport was inaugurated in December 1991 but was not put into full operation until 1995. The goal is to have the Liberia airport boost the tourism market in Guanacaste and the Gulf of Papagayo tourist area.

Regional airports offer regularly scheduled domestic flights to Limon, Golfito, Quepos and Tamarindo. There is good taxi and public bus service in the capital city of San Jose. Rent-a-car services are also available. Taxis (official taxis are red) are the recommended means of travel for business visitors.

The U.S. Federal Aviation Administration (FAA) has assessed the Government of Costa Rica's civil aviation authority as Category 2 -- not in compliance with international aviation safety standards for oversight of Costa Rica's air carriers operations. Costa Rica has accepted its responsibility to improve its oversight function and has made substantial progress in correcting those areas where deficiencies have been identified. For further information, travelers may contact the Department of Transportation within the U.S. at 1-800-322-7873, or visit the FAA Internet website at http://www.faa.gov/avr/iasa.htm. The U.S. Department of Defense (DOD)separately assesses some foreign air carriers for suitability as official providers of air services. For information regarding the DOD policy on specific carriers, travelers may contact the Pentagon at (703) 697-7288.

LANGUAGE:

Although Costa Rica is a Spanish-speaking country, many business professionals speak English.

COMMUNICATIONS:

Costa Rica enjoys an advanced telecommunications network, although some 67,000 Costa Ricans are waiting for telephone service. Telephone service, in general, is reliable. The country also enjoys both public cellular services and data transmission services.

AT&T, Sprint and MCI are available from Costa Rica.

HOUSING:

Living conditions are very good, although not inexpensive. The perennial spring climate, scenic beauty, housing, food, and ancillary services make it a comfortable (but not always easy) place to live.

Costa Rica offers foreign business travelers a wide variety of suitable, modern hotels and excellent bed and breakfast facilities in San Jose and in neighboring cities. Prices are reasonable. Traditional business services are available in most larger hotels (e.g., phone, fax, conference rooms, computer equipment, audio visual equipment and the like).

HEALTH:

In general, medical services are good. All Costa Rican workers and their dependents are covered by a public health care system administered by the Costa Rican Social Security Fund (Caja Costarricense de Seguro Social-CCSS). Many doctors in both the national health system and private clinics have been trained abroad and are fluent in English. Specialists are available in almost all branches of medicine. Although seriously overcrowded, Hospital Mexico and the San Juan de Dios Hospital are the best-equipped in Central America. Private clinics accept major credit cards.

As in any tropical climate country, insects thrive. Although the mosquitoes in San Jose do not carry malaria, the dengue mosquito has been found in Costa Rica, particularly in low-lying areas along both coasts. Numerous eradication programs are presently in operation throughout Costa Rica.

In areas outside of San Jose, medical care is more limited. Doctors and hospitals often expect immediate cash payment for health services. U.S. medical insurance is not always valid outside the United States. Supplemental medical insurance with specific overseas coverage, including provision for medical evacuation, has proven useful in many emergencies. For additional health information, travelers may contact the Centers for Disease Control and Prevention’s international traveler’s hotline at (404) 332-4559.

FOOD:

Modern shopping centers and supermarkets, along with traditional open air markets, provide a complete variety of goods and services. Vegetables, meat, poultry, fish, fruit, and pasteurized dairy products are especially tasty and fresh. Numerous restaurants specialize in local, Oriental, American, and Continental cuisine. Visitors should avoid drinking tap water and eating untreated fruits and vegetables.

CHAPTER X: ECONOMIC AND TRADE STATISTICS

APPENDIX A

COUNTRY DATA

Population: 3.34 million (1998)*

Population Growth: 2.1% per annum (1998)

Religion: 85% Roman Catholic
14% Protestant
1% Other

Government System:

Costa Rica is a democratic republic with a Constitution enacted in 1949. Voters elect the President and the 57-member unicameral Legislative Assembly every four years. The last elections were held in February 1998. Supreme Court magistrates serve for renewable eight-year terms and are appointed by the Legislative Assembly. The government has a well established tradition of respect for democratic values and basic political freedoms, strong protection of human rights, and a system of government based on separation of powers and extensive constitutional checks and balances. Costa Rica abolished its military force in 1948.

Languages: Spanish.
English as a second language (about 10%)

Work Week: 40-48 hours

*Source: Directorate General of Statistics and Census, 1998 Household Census

APPENDIX B

DOMESTIC ECONOMY
(US$ Millions, current unless otherwise indicated)

	1997	1998	1999 proj.
Gross Domestic Product	9,728	10,482	11,000
GDP growth rate (percent)	3.7	6.2	5.0
GDP per capita (US$)	2,974	3,137	3,223
Central Government Current Expenditure (as a pct. of GDP)	19.7	19.8	19.8
Inflation (percent of CPI growth)	11.2	12.4	11.0
Open Unemployment (percent)	5.7	5.6	5.2
Foreign Exch. Reserves (Dec 31 ea. Yr.)	1,140	991	1,200
Exch. rate Colones/US$ Average for the year	232.4	257.1	285.0
Debt Service/GDP (Percent)	12.0	15.0	16.0
U.S. Direct Economic Aid (in millions of US$)	0	0	0

//Sources: Central Bank of Costa Rica
U.S.A.I.D.
National Directorate of Statistics and Census

APPENDIX C

COSTA RICA'S FOREIGN TRADE
(US$ Millions, Current)

	1997	1998	1999 (est)
Total Exports (fob)	4,283	5,584	7,000
Total Imports (cif)	4,947	6,262	6,975
-Exports to USA*	2,200	2,674	3,000
-Imports from USA* **	2,600	3,000	3,200

*Includes Puerto Rico

**Note: Merchandise trade statistics were revised in 1998 to include goods processed in free trade zones. Prior year statistics have been updated. Publication of imports by country is pending; statistics on imports from USA are estimates.

//Sources: Central Bank of Costa Rica
PROCOMER

APPENDIX D

FOREIGN DIRECT INVESTMENT STATISTICS

Data on Stock of Foreign Direct Investment: N/A

Foreign Direct Investment Flows into Costa Rica:
(Source: Ministry of Foreign Trade)

Total Foreign Direct Investment Flows 1996-1998

Year	Amount	Percent of GDP
1998	US$ 531.1 million	5.1%
1997	US$ 480 million	4.9%
1996	US$ 430 million	4.7%

1998 Foreign Direct Investment by Source
Percent of Total (USD 531.1 million)

Country	Percent
USA	78.1
Mexico	6.7
EU	4.8
Other	2.4
South America	2.1
Canada	1.6
Switzerland	1.5
Asia	1.5
Central America	1.2
Total	100.0

1998 Foreign Direct Investment by Sector
Percent of Total (USD 531.1 million)

Sector	Total
Industry - Metal - Hardware	26.2
Agriculture, Banana Production	20.4
Industry - Metal - Other	10.2
Industry - Metal - Electronics	8.7
Industry - Food	6.4
Industry - Textile	5.0
Tourism - Lodging	4.5
Services - Financial Services	3.3
Industry - Other	3.1
Agriculture - Fruit Production	1.6
Industry - Chemicals	1.6
Commerce	1.5
Agriculture - Timber Extraction	1.3

Agriculture - Ornamental Plants	1.3
Others	5.1
Total	100.0

Foreign Direct Investment Flows Leaving Costa Rica:
No data available.

CHAPTER XI: U.S. AND COUNTRY CONTACTS

APPENDIX E
U.S. AND COUNTRY CONTACTS

1. U.S. EMBASSY COMMERCIAL, AGRICULTURAL AND TRADE RELATED CONTACTS

U.S. Department of Commerce
Commercial Service
Unit 2508
APO, AA 34020 9508
T: (506) 220-3939 ext. 2203, 2207 /220-2454 F: (506) 231-4783
E-mail: commerce@sol.racsa.co.cr

Mr. Franklin Foster, Commercial Attaché
Mr. Victor Cambronero, Senior Trade Specialist
Mr. Rodrigo Rojas, Trade Specialist
Ms. Hazel Salazar, Commercial Assistant/Office Manager
Ms. Maria Vargas, Commercial Assistant
Mrs.Laura Calzada, Commercial Assistant

U.S. Department of Agriculture
Foreign Agricultural Service (FAS)
Unit 2507
APO AA 34020
T: (506)220-3939 Ext. 2333 F: (506)232-7709
E-mail: fassjo@sol.racsa.co.cr

Mr. Charles Bertsch, Agricultural Attaché
Mr. Victor González, Agricultural Specialist
Ms. Illeana Ramírez, Agricultural Marketing Assistant
Ms. Ileana Castro, Agricultural Secretary

Animal and Plant Health Inspection Services (APHIS)
USDA APHIS IS
Costa Rica
Unit 2522
APO AA 34020 9522
T: (506) 290-4297/ 290-4309 F: (506) 296-3556
E-mail: aphiscr@sol.racsa.co.cr
Mr. Mark E. Knez, APHIS Attaché

APHIS Screwworm Program
USDA APHIS IS
Unit 2524
APO AA 3402 9524
T: (506) 290-4114 F: (506) 220-3275
Dr. Christopher Hofmann, Veterinary Attaché, APHIS/SWP

U.S. Department of State
Economic Section
Unit 2501
APO AA 34020-9501
T: (506) 220-3939 F: (506) 220-2305
Mr. Perry Ball, Political and Economic Counselor
Mr. Steven S. Olson, Economic Officer
Mr. Jose Maria Quirós, Economist

2. AMCHAM (Local American Chamber of Commerce)

COSTA RICAN-AMERICAN CHAMBER OF COMMERCE (AMCHAM)
(CAMARA COSTARRICENSE-NORTEAMERICANA DE COMERCIO--AMCHAM)
USA Mailing Address: 1576 P.O. Box 025216
Miami, FL 33102-5216
International mailing address to Costa Rica:
Apdo 4946-1000
San José, Costa Rica
T: (506)220-2200 F: (506)220-2300
E-mail: chamber@amcham.co.cr
Web Site: http:\\www.amcham.co.cr
Contact: Ms. Lynda Solar, Executive Director

3. COUNTRY TRADE AND INDUSTRY ASSOCIATIONS IN KEY SECTORS

COSTA RICAN CHAMBER OF COMMERCE
CAMARA DE COMERCIO DE COSTA RICA
Apartado 1114
1000 San José, Costa Rica
T: (506)221-0005/221-0124 F: (506)233-7091
E-mail: camaraco@sol.racsa.co.cr
Contact: Lic. Rahudy Esquivel, Executive Director

CHAMBER OF REPRESENTATIVES OF FOREIGN FIRMS CAMARA DE REPRESENTANTES DE CASAS EXTRANJERAS (CRECEX)
Apartado. 3738
1000 San José, Costa Rica
T: (506)253-0126 F: (506)234-2557
E-mail: crecex@sol.racsa.co.cr

Web Site: www.infoweb.co.cr/crecex
Contact: Mr. Walter Marin, Executive Director

COSTA RICAN CHAMBER OF INDUSTRIES
CAMARA DE INDUSTRIAS DE COSTA RICA
Apartado 1003-1000
San José, Costa Rica
T: (506)256-2826 or 283-3779 F:(560)222-1007
E-mail: camind@sol.racsa.co.cr
Web Site: www.cicr.co.cr
Contact: Lic. Mayi Antillón, Executive Director

NATIONAL CHAMBER OF AGRICULTURE AND AGRO-INDUSTRY
CAMARA NACIONAL DE AGRICULTURA Y AGRO-INDUSTRIA
Apartado 1671 -1000 San José, Costa Rica
T: (506)280-2173 or 233-8567 F: (506)233-8658
Contact: Mr.Rodolfo Coto, President
Ms.Marisa Cordero, Executive Director

CHAMBER OF FOOD INDUSTRY OF COSTA RICA/CAMARA COSTARRICENSE DE LA INDUSTRIA ALIMENTARIA (CACIA)
Apartado 7097
1000 San Jose, Costa Rica
T: (506)234-1127 F: (506)234-6783
E-mail: caciali@sol.racsa.co.cr
Contact: Mr. Erick Quiros, Executive Director

COSTA RICAN CHAMBER OF TEXTILES AND APPAREL
CAMARA TEXTIL Y DE CONFECCION (CATECO)
Apartado 1512 1002 Paseo de Estudiantes
San José, Costa Rica
T: (506)220-2981 F: (506)220-1424
E-mail: cateco@sol.racsa.co.cr
Contact: Ms. Maria Aminta Quirce, Executive Director

CHAMBER OF HIGHWAY & BRIDGE CONSTRUCTION
CAMARA DE CONSTRUCTORES DE CARRETERAS Y PUENTES
APDO. 3803, 1000
San José, Costa Rica
T: (506) 221-9418   F: (506) 258-2824
Contact: Ms. Edda Geraldine Quesada, Executive Director

CHAMBER OF ARCHITECTS AND ENGINEERS
CAMARA DE CONSULTORES EN ARQUITECTURA E INGENIERIA
Apartado 1151-1002
San Jose, Costa Rica
T/F: (506) 283-7698   or T: (506) 257-7067

Contact: Ing. Daniel Baudrit, President

CHAMBER OF CONSTRUCTION OF COSTA RICA
CAMARA COSTARRICENSE DE LA CONSTRUCCION
Apartado 5260 - 1000
San José, Costa Rica
T: (506)253-5757 0r 381-3614 F:(506)221-7952
E-mail: isalas@construccion.co.cr
Web Site: www.construccion.co.cr
Contact: Itzel Salas, Sales Executive

COSTA RICAN ASSOCIATION OF THE PLASTIC INDUSTRY
ASOCIACION COSTARRICENSE DE LA INDUSTRIA DEL PLASTICO (ACIPLAST)
Apartado 8247 - 1000 San Jose, Costa Rica
T: (506)255-0961 F: (506)255-0961
Contact: Mr. Juan Unfried, Executive Director

COSTA RICAN CHAMBER OF RESTAURANTS & RELATED AFFAIRS
CAMARA COSTARRICENSE DE RESTAURANTES Y AFINES
Apartado 113-2150 San Jose
T: (506) 283-2579 F:(506) 283-2580
Contact: Mr. Vicente Bruno Salazar, Executive Director

CHAMBER OF AUTOMOTIVE AND RELATED TOPICS OF COSTA RICA (CCA)
Apartado 425-1002 Paseo de los Estudiantes
San José Costa Rica
T: (506)233-3331 F: (506) 257-7432
Mr. Efraín Xirinachs, President

COSTA RICAN ASSOCIATION OF IMPORTERS OF AUTOMOTIVE PARTS
ASOCIACION DE IMPORTADORES DE PARTES AUTOMOTRICES (AIPA)
Apartado 242 - 1002 Paseo de Estudiantes
San José, Costa Rica
T/F: (506)222-8168
E-mail: aipacr@sol.racsa.co.cr
Contact: Mr. Ricardo Hernandez, President

COSTA RICAN ASSOCIATION OF IMPORTERS OF VEHICLES, EQUIPMENT & MACHINERY/ASOCIACION DE IMPORTADORES DE VEHICULOS, EQUIPO, MAQUINARIA Y AFINES (AIVEMA)
Apartado 84040-1000 San Jose, Costa Rica
T: (506)222-5513 F: (506) 233-5432
Contact: Mr. Samuel Aizenman, President

FEDERACION DE CAMARAS DE GANADEROS

Federation of Chambers of Livestock Breeders
Apdo. 6464-1000 San Jose
T: (506) 221-9268 F: (506) 233-2180
Contact: Mr. Joaquin Rodriguez Solis, President

4. COUNTRY GOVERNMENT OFFICES/AGENCIES

COSTA RICAN CUSTOMS OFFICE/DIRECCIÓN GENERAL DE ADUANAS
San Jose, Costa Rica
T: (506)255-3011/233-9525 F: (506)223-7334
Web Site: www.aduanas.go.cr
Contact: Lic. Jose Antonio Rodriguez,Director

MINISTRY OF ECONOMY, INDUSTRY AND COMMERCE
AND FOREIGN TRADE
Apartado 96-2050 San Pedro Montes de Oca
San Jose, Costa Rica
T: (506) 256-7111 / 222-5910 F: (506) 233-9176
E-mail: sguzows@govnet.go.cr
Contact: Ing. Samuel Guzowski, Minister

Labeling and Norms Department
Apartado 10216-1000
San Jose, Costa Rica
506) 283-6580 F: (506) 283-5133
Contact: Lic. Laura Ulate, Coordinator

CONSEJO NACIONAL DE PRODUCCION - CNP
(NATIONAL PRODUCTION COUNCIL)
Apdo. 2205-1000, San Jose
T: (506) 257-9355/255-4283 F: (506) 255-4729
E-mail: presidente@cnp.go.cr
Contact: Ing. Orlando González Villalobos, Executive President

MINISTERIO DE AGRICULTURA Y GANADERIA Y CIENCIA Y TECNOLOGIA
(MINISTRY OF AGRICULTURE AND LIVESTOCK AND SCIENCE AND TECHNOLOGY)
Apartado 1094-1000, San Jose
T: (506) 231-2344/232-9420 F: (506) 232-2103
E-mail: ebrenes@.ns.mag.go.cr
Contact: Mr. Esteban Brenes, Minister

DIRECCION DE PROTECCION AGROPECUARIA
(AGRICULTURAL PROTECTION DEPARTMENT)
T:(506)260-8300 or 260-8647 or 260-8296 or 260-6190
F: (506) 260-8294
E-mail: protagro@sol.racsa.co.cr

Contacts: Ing. Sergio Arbaca, Sanidad Vegetal (Plant Health Dir.)

INSTITUTO COSTARRICENSE DE ELECTRICIDAD (ICE)
(COSTA RICAN INSTITUTE OF ELECTRICITY AND TELECOMMUNICATION)
Apartado 10032-1000
San Jose, Costa Rica
T: (506) 220-7422 / 220-7720 F: (506)220-1555
Web Site: www.ice.go.cr
Contact: Dr. Roberto Dobles, President

INSTITUTO COSTARRICENSE DE ACUEDUCTOS Y ALCANTARILLADO (AYA)
(COSTA RICAN INSTITUTE OF AQUEDUCTS AND SEWAGE)
Apartado 5120-1000
San Jose, Costa Rica
T: (506)223-6103 or 223-5012 F: (506)233-7552
Web Site: www.aya.ca.cr.
Contact: Ing. Jorge Carballo, Executive President

MINISTRY OF PUBLIC WORKS AND TRANSPORTATION
(MINISTERIO DE OBRAS PÚBLICAS Y TRANSPORTES)
Apartado 10176 - San Jose, Costa Rica
T: (506) 257-7798 F: (506) 255-0242
Contact: Ing. Rodolfo Mendez Mata, Minister

NATIONAL CONCESSIONS COUNCIL
Apartado 10724-1000
San Jose, Costa Rica
T: (506) 223-9668
F: (506) 257-5247
E-mail: agarnier@sol.racsa.co.cr
Contact: Mr. André Garnier, Technical Secretary a.i.

COSTA RICAN CIVIL AVIATION DIRECTORATE
Apartado 5026-1000
San Jose, Costa Rica
T: (506) 231-3666
F: (506) 231-2107
Contact: Mr. Miguel Ramos, Director

TOURISM INSTITUTE
(INSTITUTO COSTARRICENSE DE TURISMO)
Apartado 777-1000
San Jose, Costa Rica
T: (506)233-9605 F: (506)223-5107 / 255-4997
www.tourism-costarica.com
Contact: Mr. Eduardo León, Executive President

MINISTRY OF HEALTH
(MINISTERIO DE SALUD)
Unidad de Denuncias (Former Food Registration and Control Department)
Apdo. 10123-1000 San Jose
T: (506)255-4426 F: (506) 256-4800
Contact: Ing. Eugenio Androveto

MINISTRY OF THE ENVIRONMENT AND ENERGY
(MINISTERIO DEL AMBIENTE Y ENERGÍA -MINAE)
Apartado 10104-1000
San Jose, Costa Rica
T: (506) 233-4533 or 223-2124 F: (506) 257-4580
Contact: Licda. Elizabeth Odio, Minister
Mr. Jose Luis Sales, Director

Joint Implementation Projects:
Apartado 7170-1000
San Jose, Costa Rica
T: (506) 220-0036 F: (506) 290-1238
E-mail: crocic@sol.racsa.col.cr
Contact: Mr. Pablo Manso, Gerente a.i.

MINISTRY OF JUSTICE
Apartado 5685-1000
San Jose, Costa Rica
T: (506) 280-7794
F: (506) 234-7959
E-mail: mnagel@casapres.gov.cr
Contact: Mrs. Monica Nagel, Minister

COSTA RICAN CORRECTIONAL INSTITUTION
Tel/Fax: (506) 222-0661
E-mail: mjusticiacr@hotmail.com
Contact: Guillermo Arroyo, Director of Correctional System

COSTA RICAN FOREIGN TRADE CORPORATION (PROCOMER)
Apartado 1278-1007
San Jose, Costa Rica
T: (506) 256-7111 F:(506)233-5755 /233-4655
Contact: Mr. Eduardo Alonso, General Manager
Web Site: http:\\www.procomer.com

PROCOMER
FREE TRADE ZONE DIVISION
Apartado 1278-1007
San Jose, Costa Rica
Tel: (506) 256-7111, ext. 266 or 279 Fax (506) 223-5722
E-mail: gmonge@procomer.go.cr
Web Site: www.procomer.com
Contact: Mr. Gerardo Monge, Operations Manager

CINDE/COSTA RICAN INVESTMENT AND TRADE DEVELOPMENT BOARD
Apartado 7170-1000
San Jose, Costa Rica
T: (506)220-0036 F: (506)220-4754
Web Site: www.cinde.or.cr
Contact: Mr. Enrique Egloff, General Manager

CINDE/COSTA RICAN INVESTMENT AND TRADE DEVELOPMENT BOARD
90 West Street, Suite 614
New York, NY 10006
T: (212)964-1867 F: (212)964-1969
E-mail: cinde.ny@aol.com
Contact: Mr. Armando Heilbron, Investment Officer

5. LIST OF IN-COUNTRY MARKET RESEARCH FIRMS

AMCHAM/Costa Rican American Chamber of Commerce should be consulted about their ability to conduct market research.

COSTA RICAN-AMERICAN CHAMBER OF COMMERCE (AMCHAM)
(CAMARA COSTARRICENSE-NORTEAMERICANA DE COMERCIO--AMCHAM)
USA Mailing Address: 1576 P.O. Box 025216
Miami, FL 33102-5216
Within Costa Rica: Apdo 4946-1000
San José, Costa Rica
T: (506)220-2200 F: (506)220-2300
E-mail: chamber@amcham.co.cr
Web Site: www.amcham.co.cr
Contact: Ms. Lynda Solar, Executive Director

GRUPO HAY DE CENTROAMERICA
P.O. Box 103-2300 Curridabat
T: (506) 220-0533 F: (506) 231-4520
E-mail: hgconsul@sol.racsa.co.cr
Contact: Mr. Raul Heraud, General Manager

KPGM Peat Marwick
P.O. Box 10208-1000 San Jose
T: (506) 220-1366 F: (506) 220-0408 / 220-0411
E-mail: kpmgpm@sol.racsa.co.cr
Web Site: www.kpmg.co.cr
Contact: Mr. Federico Golcher, Managing Partner

MULTIVEX, S.A.
P.O. Box 107-1007 Centro Colon
San Jose, Costa Rica
T: (506) 290-2417 / 290-2418 F: (506) 290-2419
E-mail: multivex@sol.racsa.co.cr
Contact: Mr. Johnny Tarcica, President

PROTRADE
International Trade and Consulting Co.
Apartado 802-1002 Paseo de los Estudiantes
San Jose, Costa Rica
T: (506) 253-0820 F: (506) 283-9749
E-mail: pentrix@usa.net
Contact: Mr. Carlos Granados, President

CONSULTORES DE CREDITO INTERNACIONALES, S.A.
(Credit Reporting)
Apartado 1103-1000
San Jose, Costa Rica
T: (506) 232-0443 / (506) 296-0195 F: (506) 231-0929
E-mail: racsos@sol.racsa.co.cr
Contact: Mr. Oscar Solera / Lic. Eugenia Urcuyo P.

VERITAS DE CENTROAMERICA, S.A.
(Credit reporting)
Apartado 11421-1000
San Jose, Costa Rica
T: (506) 224-7232 / (506) 253-8132 / 223-9102
F: (506) 234-1581
E-mail: vercam@sol.racsa.co.cr
Web Site: www.veritas-usa.com
Contact: Mr. Luis Olivares, General Manager

6. MULTILATERAL FINANCE ORGANIZATIONS IN COSTA RICA

ASESORIA EMPRESARIAL CENTROAMERICANA (Business Advisory Services) (affiliated with the World Bank)
Apartado 98 - 1250 Escazú
San José, Costa Rica
T: (506) 228-4124 F: (506) 228-6963
E-mail: asecanv@racsa.co.cr
Contact: Ms. Jennifer Morsink, General Manager

INTER-AMERICAN DEVELOPMENT BANK (IDB)
Apartado 1142 - 1007 Centro Colón
San José, Costa Rica
T: (506) 233-3244 F: (506) 233-1840
Web Site: www.iadb.org
Contact: Mr. Bertus Meins, Local Representative

7. MULTILATERAL DEVELOPMENT BANK OFFICES WITHIN THE U.S.

INTER-AMERICAN DEVELOPMENT BANK
US&FCS Liaison Office
1300 New York Ave, N.W
Washington, D.C. 20005
Web Site: www.iadb.org

T: (202) 623-1000 F: (202) 942-8275
Contact: Ms. Rebbeca Mann, Commerce Liaison Office
Mr. Robert McEntire, Procurement Liaison Officer
T: (202) 623-3822

MULTILATERAL DEVELOPMENT BANK OFFICE
14th and Constitution, NW
Washington, D.C. 20007
T: (202) 482-3399 F: (202) 482-5179 or (202) 273-0927
E-mail: janet.thomas.mail.doc.gov
Contact: Ms. Janet Thomas, Director

EXPORT-IMPORT BANK OF THE UNITED STATES (EXIM)
811 Vermont Avenue, N.W.
Washington, D.C. 20571
Export Credit Insurance for one year or less
T: (202)565-3911 F: (202)565-3380 or 565-3931
Web Site: www.exim.gov
Contact: Mr. Michael Silchock, Loan Officer

OVERSEAS PRIVATE INVESTMENT CORPORATION (OPIC)
1100 New York Avenue, N.W.
Washington, D.C. 20527
Insurance Department
T: (202)366-8663 F: (202)408-5142
Finance Department
T: (202)336-8472 F: (202)408-5142
Web Site: opic.gov
Contact: Mr. Walter C. Jones, Finance
Mr. Raymundo Ruga, Insurance Officer

U.S. TRADE AND DEVELOPMENT AGENCY (TDA)
Regional Director for Latin America
Room 309, SA-16
Department of State
Washington, D.C. 20523-1602
T: (703)875-4357 F: (703)875-4009
Web Site: www.tda.gov
E-mail: anne.mckinney@tda.gov
Contact: Ms. Anne McKinney, Country Manager
Ms. Sally Roever, Country Manager

THE WORLD BANK
1818 H Street, N.W.
Washington, D.C. 20433
T: (202) 473-4271   F: (202) 477-6391

Web Site: worldbank.org
Contact: Ms. Donna Dowsett-Coirolo, Director for Central America and Caribbean

8. OTHER ENTITIES TO CONSULT IN REFERENCE TO DOING BUSINESS IN COSTA RICA.

TRADE INFORMATION CENTER (TCI)
1-800-USA-TRADE (872-8723)
Fax: (202) 482-4473
U.S. Department of Commerce
Room 7424 - HCHB
14th and Constitution Avenue, N.W.
Washington, D.C. 20230
Web Site: www.ita.doc.gov/tic
E-mail: tic@ita.doc.gov

U.S. Department of Commerce
Mr. Mark Siegelman, Desk Officer
Desk Officer for Costa Rica, Room H3033
14th & Constitution Ave., N.W.
Washington, D.C. 20230
T: (202)482-0704 F: (202)482-0464
E-mail: mark_siegelman@ita.doc.gov

U.S. Department of State
Officer in Charge, Costa Rican Affairs
2201 C Street, N.W.
Washington, D.C. 20520
T: (202)647-4980 or 647-4000 F: (202)647-2597
Web Site: www.state.gov

U.S. Department of Agriculture
Trade Assistance and Promotion Office Foreign Agricultural Service
Stop 1052
Washington, D.C. 20250-1052
T:(202) 720-7420 F: (202) 690-0193
Web Site: www.fas.usda.gov

Embassy of Costa Rica
1825 Connecticut Ave., N.W., Suite 211
Washington, D.C. 20009
T: (202)234-2945 F: (202)265-4795
E-mail: embassy@costarica.com

(The government of Costa Rica has consulate offices in the largest cities in the U.S.)

CINDE/Costa Rican Investment and Development Board
90 West Street, Suite 614
New York, NY 10006
T: (212)964-1774 F: (212)964-1969
E-mail: cindeny@aol.com
Contact: Mr. Armando Heilbron, Investment Officer

APPENDIX F

MARKET RESEARCH

A list of additional market research reports is available on the National Trade Data Bank.

INDUSTRIAL SECTOR

- Automotive Parts/Service Equipment (Industry Sector Analysis, August 1998)
- Pollution Control Equipment(Industry Sector Analysis, September 1998)
- Computers & Peripherals (Industry Sector Analysis, September 1998)
- Air Conditioning/Refrigeration Equipment (Industry Sector Analysis, October 1999)
- Plastic Materials/Resins (Industry Sector Analysis, November, 1999)
- Agricultural Chemicals (Industry Sector Analysis, November, 1999)
- Pharmaceuticals (Industry Sector Analysis, March 2000)

AGRICULTURAL SECTOR

LIST OF USDA/FAS/COMMODITY REPORTS AND MARKET BRIEFS

LIST OF USDA/FAS/COMMODITY REPORTS AND MARKET BRIEFS
(Reports available on USDA/Foreign Agricultural Service Website: **www.fas.usda.gov**)

Costa Rica: Grains Situation
July 11, 1998
CS8012

Costa Rica: Palmito Production & Trade
July 11, 1998
CS8013

Costa Rica: Livestock Annual Report
July 16, 1998
CS8014

Rice: Price Problems in Costa Rica
October 6, 1998
CS8017
Costa Rica: Dried Bean Imports
October 7, 1998
CS8018

Costa Rica: Exports Poultry Products to Hong Kong
October 15, 1998
CS8021

Costa Rica: Coffee Semi-Annual Report
November 11, 1998
CS8022

Costa Rica: Food & Agriculture Import Regulations & Standards
November 13, 1998
CS8023

Costa Rica: Macadamia Annual Situation Report
February 1, 1999
CS9005

Costa Rica: Rice: 60 TMT Import Opportunity and Policy Changes
March 3, 1999
CS9007

Costa Rica: Sugar Annual Report
April 10, 1999
CS9008

Costa Rica Establishes Poultry TRQ and Reduces Tariffs
May 11, 1999
CS9012

Costa Rica: Dairy: Establishes TRQ lowers tariffs &
deregulates prices
May 12, 1999
CS9013

Costa Rica: Rice tender results from commodity exchange
May 13, 1999
CS9014

Costa Rica: Coffee Annual Situation Report
May 14, 1999

CS9015

APPENDIX G

TRADE EVENT SCHEDULE

The following is a list of industrial and agricultural events that serve the Costa Rican market. Firms should consult the export promotion calendar on the National Trade Data Bank, or contact the Commercial Section or Agricultural Section, for the latest information on the individual trade programs.

INDUSTRIAL SECTOR

Month: October 21-24,1999 - San Jose, Costa Rica
FERCOMPUTO
Specialty:Computer-oriented event (International participation)
Ing. Rolando Jimenez, General Manager
Apdo 2219- 1000
San Jose, Costa Rica
Tel: (506) 273-4545 xt 111/106
Fax: (506) 273-3385
Email: sercsa@sol.racsa.co.cr

Month: October 23-27,1999 - San Jose, Costa Rica
IDAHO TRADE MISSION
Mr. Franklin Foster, Commercial Attache
Department of Commerce, San Jose, Costa Rica
Tel: (506) 220-2454 or 220-3939 ext. 2207
Fax: (506) 231-4783
E-mail: frank.foster@mail.doc.gov
Ms. Vicki Thomas, International Trade Specialist
Idaho Department of Commerce, Boise, Idaho
Tel: (208) 334-2470
Fax: (208) 334-2783
E-mail: vthomas@idoc.state.id.us

Month: October 25-26,1999 - San Jose, Costa Rica
IOWA TRADE MISSION

Mr. Franklin Foster, Commercial Attache
Department of Commerce, San Jose, Costa Rica
Tel: (506) 220-2454 or 220-3939 ext. 2207
Fax: (506) 231-4783
E-mail: frank.foster@mail.doc.gov
Ms. Peggy Kerr, Marketing Manager, International Division
Iowa Department of Economic Development, Des Moines, Iowa
Tel: (515) 242-4745
Fax: (515) 242-4918
E-mail: p.kerr@ided.state.ia.us

Month: November 2-5, 1999 - Las Vegas, NV
AUTOMOTIVE AFTERMARKET WEEK
Specialty: Automotive Parts/ Service Equipment (APS)
Ms. Carol Rudman, Project Officer U.S. Department of Commerce
Tel: (202) 482-0905
Fax: (202) 482-0115
E-mail: carol.rudman@mail.doc.gov
Mr. Victor Cambronero, Senior Commercial Specialist, U.S. Department of Commerce, San Jose, Costa Rica
Tel: (506) 220-2454 or 220-3939 ext. 2299
Fax: (506) 231-4783
E-mail: victor.cambronero@mail.doc.gov

Month: January 14-17, 2000 - Dallas, Texas
THE INTERNATIONAL BUILDER’S SHOW
Specialty: Building
Mrs. Frances M. Lee., Project Officer U.S. Department of Commerce
Tel: (202) 482-1650
Fax: (202) 482-0115
Mr. Rodrigo Rojas, Trade Specialist, U.S. Department of Commerce, San Jose, Costa Rica
Tel: (506) 220-3939 xt 2295
Fax: (506) 231-4783
E-mail: rodrigo.rojas@mail.doc.gov

Month: February 2000- San Jose, Costa Rica
FERCORI TRADE SHOW
Specialty: Consumer products (includes some foods)
Licda. Flor Carreras, President
Arch. Francisco D’Arsie, Gerente General
P.O. Box 1843-1000 San José, Costa Rica
Phone: (506) 233-6990/233-6631
Fax: (506) 233-5791

Month: To be Determined (April 2000)- San Jose, Costa Rica
VISIT USA COSTA RICA
Specialty: Travel and tourism to the U.S.
Ms. Alicia Lines, President
Apdo 11631-1000

San Jose, Costa Rica
Tel: (506) 257-4782
Fax: (506) 233-9600 or 223-2703
E-mail: visitusa@sol.racsa.co.cr

Month: May 20-23, 1999 - Chicago, IL
NATIONAL RESTAURANT ASSOCIATION RESTAURANT, HOTEL-MOTEL SHOW
Specialty: Hotel/Restaurant Equipment (HTL)
Ms. Joan Hall, Project Officer U.S. Department of Commerce
Tel: (202) 482-2267
E-mail: jhall@cs.doc.gov
Mr. Victor Cambronero, Senior Commercial Specialist, U.S. Department of Commerce, San Jose, Costa Rica
Tel: (506) 220-2454 or 220-3939 ext. 2299
Fax: (506) 231-4783
E-mail: victor.cambronero@mail.doc.gov

Month: May 21-26, 2000 - San Jose, Costa Rica
EXPOTUR
Specialty: Tourism Industry
SJO 3445
P.O.Box 025216
Miami, Florida
33102-5216
Att: Ms. Xiomara Murillo M.
Mr. Pablo Solano, Event Director
Tel: (506) 280-5375
Toll free USA only: 1-888-EXPOTUR (397-6887)
Fax: (506) 280-5347
E-mail: acoprot@sol.racsa.co.cr
Web Site: http:www.acoprot.org

Month: August 13-16, 2000 - Chicago, Illinois
INTERNATIONAL HARDWARE WEEK & NATIONAL HARDWARE SHOW
Specialty: Hardware/Home Improvement
Ms. Carol Rudman, USDOC Project Officer, U.S. Department of Commerce
Tel: (202) 482-1650
Fax: (202) 482-0115
Mr. Rodrigo Rojas, Trade Specialist, U.S. Department of Commerce, San Jose, Costa Rica
Tel: (506) 220-3939 xt 2295
Fax: (506) 231-4783
E-mail: rodrigo.rojas@mail.doc.gov

AGRICULTURAL SECTOR

Month: February 2000* -Pérez Zeledón, Costa Rica
EXPOSICION Y FERIA GANADERA DE PEREZ ZELEDON
(LIVESTOCK SHOW IN PEREZ ZELEDON)
Specialty: Beef cattle, horses
Mr. Roberto Carranza, Coordinator
Mercadeo y Agroindustria - C.N.P.
P.O. Box 598, San Isidro General
Telefax: (506)257-2168
Phone: (506) 257-9355 Ext. 218

(*) Dates n/a, yet

Month: March 2001 - San José, Costa Rica
FERIA NACIONAL CAMPO AYALA - EXPICA
Specialty: Dairy cattle
Mr. Tomás Batalla Esquivel, Coordinator
P.O. Box 636-4050, Alajuela-Costa Rica
Phone: (506) 442-2848/6440
Fax: (506) 442-2864

Month: April 2000 - Alajuela, Costa Rica
EXPOSICION Y FERIA LECHERA DE SAN CARLOS
(DAIRY CATTLE SHOW OF SAN CARLOS)
Specialty: Dairy cattle
Mr. José Alberto Arroyo, Executive Director
Comité Expo San Carlos
P.O. Box 7-4400, Ciudad Quesada - Alajuela
Phone: (506) 460-0254
Fax: (506) 460-0672

Month: May 2000 - Puntarenas, Costa Rica
EXPOSICION GANADERA MONTEVERDE
(DAIRY CATTLE SHOW OF MONTEVERDE)
Specialty: Dairy cattle
Mr. Juan José Monge, Coordinator
Planta de Productores de Monteverde
P.O. Box 10165-1000 - San José, Costa Rica
Telefax: (506) 645-5029

Month: July 2000 -Guanacaste, Costa Rica
FERIA GANADERA DE LIBERIA, GUANACASTE
(LIVESTOCK SHOW OF LIBERIA)
Specialty: Beef Cattle
Mr. Adolfo Rivas, Coordinator
Cámara de Ganaderos de Liberia
Telefax: (506) 666-2026/666-0290/666-0224

Month: August 1999/March 2000 - San José, Costa Rica
EXPO GANADO HOLSTEIN
Specialty: Dairy cattle
Mr. Erick Montero, President
Phone: (506) 253-5720

Fax: (506) 253-6573

Month: September 1999/September 2000 -Limón, Costa Rica
FERIA GANADERA DE GUAPILES EXPOCOCI
(LIVESTOCK SHOW OF GUAPILES)
Specialty: Beef Cattle and horses
Mr. Dionisio Mora, Coordinator
Jersey Association
Tel: (506) 224-0696
Fax: (506) 253-7429